TABLE OF CONTENTS

	Page
I. BOARD MEMBERS	5
II. THE BOARD	11
History of the State Board of Equalization	13
Organization Chart	14
III. ADMINISTRATION	15
Legal Advice	15
Legislative Analysis	16
The Regulatory Process	17
Statistical Research and Analysis	17
Data Processing	18
Same Day Deposit Program for Tax Payments	19
Personnel Management	19
Training	20
Equal Employment Opportunity	21
Collective Bargaining	22
Employee Assistance Program	23
Merit Award Program	24
Tax Information	25
IV. PROPERTY TAXES	26
Advice to County Assessors and Others	27
Appraiser Training	28
Assessment Practices Surveys	28
Legal Entity Ownership Program	30
Contract Audit Program	31
Property Tax Exemptions	31
State-Assessed Properties	32
Private Railroad Car Tax	34
Auditing Financial Records of Utility Companies	34
Tax Rate Area Mapping Program	34
Timber Tax Program	35
Property Taxes Legislation	37
V. ECONOMIC ANALYSIS	40
Economic Summary	40
California's Fiscal Crisis	41
Major Revisions in the Consumer Price Index	42
Overall Price Stability Achieved	44
Petroleum Market Achievements	44
Revenues Level Off	45
Taxable Sales on the Mend	47
VI. BUSINESS TAXES	51
Audit Activities	51
Tax Compliance Activities	52
California Sales and Use Tax	54
City and County Sales and Use Tax	55
County Transit District Sales and Use Taxes	56
Use Fuel Tax	56
Motor Vehicle Fuel License Tax	57
Cigarette Tax	58
Alcoholic Beverage Tax	59
Insurance Tax	59
Emergency Telephone Users Surcharge	60
Energy Resources Surcharge Law	60
Hazardous Waste Tax	61
Hazardous Substance Tax	61
Business Taxes Legislation	62
VII. THE SALES TAX: 1933–1983	69
VIII. TAX LITIGATION	71
Property Taxes	71
Sales and Use Tax	72
Insurance Tax	73
Personal Income Tax	74
Bank and Corporation Tax	75

ANNUAL REPORT 1982-1983

CALIFORNIA STATE BOARD OF EQUALIZATION

FISCAL YEAR ENDED JUNE 30, 1983

BOARD MEMBERS

WILLIAM M. BENNETT
Chairman
First District

CONWAY H. COLLIS
Second District

ERNEST J. DRONENBURG, JR.
Vice Chairman
Third District

RICHARD NEVINS
Fourth District

KENNETH CORY
State Controller

DOUGLAS D. BELL
Executive Secretary

In Memoriam
ROGER J. TRAYNOR
1900–1983

Roger J. Traynor, retired California Supreme Court Justice and one of the most eminent jurists in American history, died at his home in Berkeley May 14, 1983.

Traynor earned both a law degree and doctorate in political science at the University of California, Berkeley. He wrote a series of groundbreaking articles on taxation, a relatively new field in the 1930s, and was appointed Chief Counsel of the Board of Equalization in Sacramento.

Assisted by Executive Secretary Dixwell Pierce, by Assistant Counsel Frank Keesling, Staff Counsel Felix Wahrhaftig and Harry Say, Traynor drafted the California Retail Sales Tax Act. When it was enacted by the Legislature, he became the Board of Equalization's first sales tax administrator.

Traynor also drafted the legislation for the state's first personal income tax, and as a member of the Tax Research Bureau that operated within the Board of Equalization, he led the way in pioneering significant legislation and regulations which developed and established California's system of taxation that was to become a model for the other states.

Once the sales tax was operational, Traynor returned to Boalt Hall, Berkeley, where he was a professor of law. For the next seven years, he visited the Board of Equalization headquarters in Sacramento every week from Friday to Saturday to serve as consultant on tax matters until 1940 when he was appointed to the California Supreme Court by Governor Culbert L. Olsen.

Throughout his long and distinguished career, Justice Traynor won many honors, but none greater than the American Bar Association Medal, the organization's highest award reserved for such judicial giants as Oliver Wendell Holmes, Charles Evans Hughes, and Felix Frankfurter. The citation described Traynor as "one of the great judges in U.S. history" and said that his opinions "have gained overwhelming respect from the academicians as well as from the bench and bar."

Justice Traynor graciously participated in an interview in which he contributed immeasurably to a history of the State Board of Equalization that was written and published in commemoration of the Board's Centennial in 1979.

During that interview, Justice Traynor praised Dixwell Pierce, Board Executive Secretary for 37 years, as "the brains of the Board of Equalization . . . as devoted a public servant as the state has ever had. The history of taxation and the career of Dixwell Pierce are synonymous."

It seems appropriate to pay that same tribute to the late Roger J. Traynor, who, before he became California's Chief Justice, brought distinction to the State Board of Equalization.

STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

1020 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 1799, SACRAMENTO, CALIFORNIA 95808)

WILLIAM M. BENNETT
First District, Kentfield

CONWAY H. COLLIS
Second District, Los Angeles

ERNEST J. DRONENBURG, JR.
Third District, San Diego

RICHARD NEVINS
Fourth District, Pasadena

KENNETH CORY
Controller, Sacramento

DOUGLAS D. BELL
Executive Secretary

The Honorable George Deukmejian
Governor of California

Dear Governor Deukmejian:

We are pleased to furnish to you the Annual Report of the State Board of Equalization for the 134th fiscal year, ended June 30, 1983. It includes a review of revenue activities assigned to the Board and a statement of our expenditures to administer them.

There is also included statistical information concerning both property and business taxes in which the Board is involved with state and local governments.

Respectfully submitted,

Bill Bennett

William M. Bennett, Chairman
Ernest J. Dronenburg, Jr., Vice Chairman
Richard Nevins
Conway H. Collis
Kenneth Cory, State Controller

Douglas D. Bell, Executive Secretary
December 31, 1983

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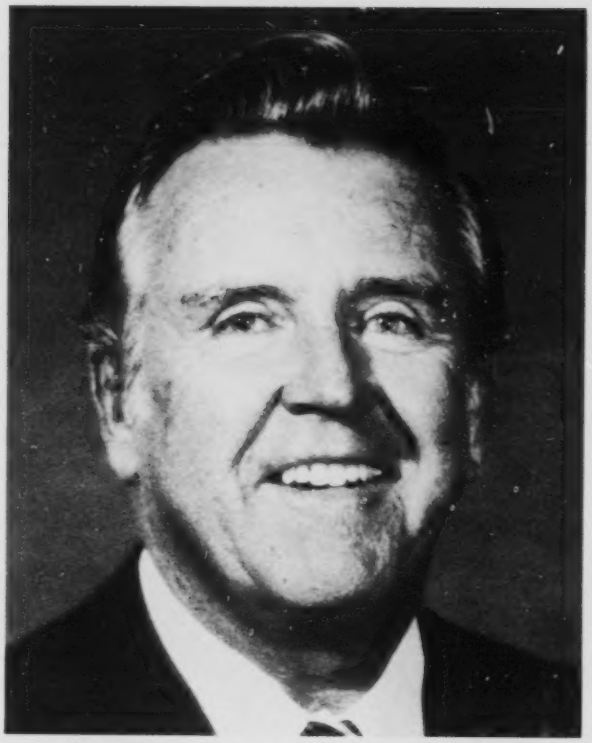
I. BOARD MEMBERS

First District

WILLIAM M. BENNETT



William M. Bennett began serving his fourth term as a Member of the Board of Equalization in January 1983. Mr. Bennett was reelected to represent the Third Equalization District in November 1982. However, under the 1983 reapportionment of the Board, that District was redesignated the First Equalization District and was expanded from 28 to 33 northern California counties.

Mr. Bennett is Chairman of the Board's Valuation of State Assessees Committee and of the Timber Advisory Committee. He served his first term as Chairman of the Board in 1972. When Board Chairman John Lynch died in office in December 1975, Mr. Bennett was serving as Vice Chairman. He was elected Chairman to complete Mr. Lynch's term, and was reelected in 1976, 1977, 1979, 1982, and 1983.

Mr. Bennett is a member of the State Bar of California and has been admitted to practice before the United States Supreme Court, appearing on behalf of the State of California eight times in significant criminal, civil, and antitrust litigation. He has practiced extensively before both state and federal regulatory agencies and commissions. In 1969 Mr. Bennett was permitted by the U.S. Supreme Court to make a special appearance as a self-appointed "consumer spokesman" to present an argument in antitrust litigation involving the El Paso Natural Gas Company. It was the first time in the history of the Court that an individual who was neither a party to a case nor representing a specific client was permitted to make such an extraordinary appearance.

Mr. Bennett began his government career as a Deputy Attorney General of California and served in that capacity for 12 years. In 1958, he was appointed chief counsel to the California Public Utilities Commission; in 1962, he was appointed a member of that Commission and later served as its president.

Mr. Bennett was born in San Francisco in 1918. He and Mrs. Bennett have four children: William, Jr., James, Michael, and Joan. During World War II, Mr. Bennett served as a captain in the Air Force, completing 50 missions in the 15th Air Force over Europe. Mr. Bennett has been a professor of law, teaching administrative law and consumer protection courses at Hastings College of Law, University of California, San Francisco.

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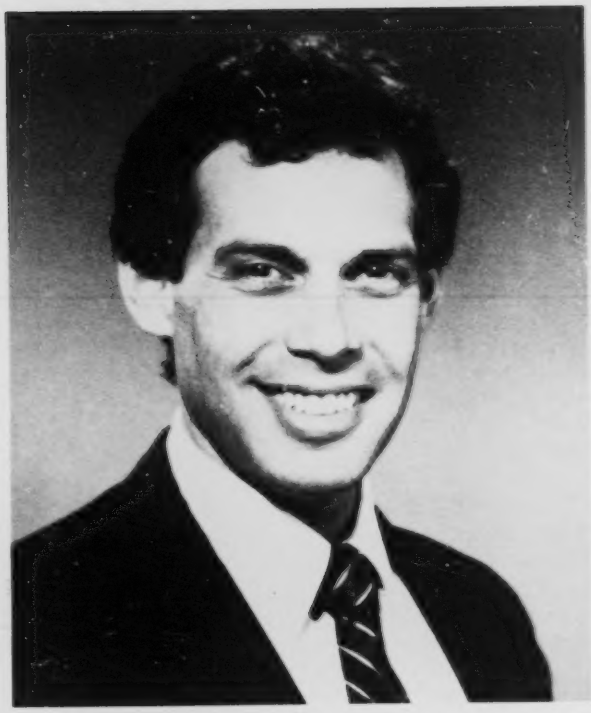
Second District

CONWAY H. COLLIS



Conway H. Collis won the Democratic nomination for the First District seat on the Board of Equalization over a crowded field of eight candidates. He then defeated the Republican nominee, a State Assemblyman, to win the First District seat in 1982. The 1983 reapportionment renumbered the Districts, and Collis now represents the Second Equalization District which includes the western and San Fernando Valley portions of Los Angeles County, all of the coastal counties north through San Francisco, and most of the San Joaquin Valley counties.

Mr. Collis believes that the Board should play an aggressive role in recommending reforms in California's tax policy, since the Board is responsible for implementing most of California's taxes on a day-to-day basis. The Board should help lessen the paperwork and bureaucratic burdens of the individual and business taxpayer, and should assist in fostering a more receptive business climate. Mr. Collis also believes that the Board should address individual cases with a sense of equity, compassion, and cognizance of the long term impact of a ruling on the individual or business appearing before it.

Mr. Collis was born in Chicago, Illinois, in 1948 and moved to California in 1966. He graduated with honors from Occidental College in 1970 and from Stanford Law School in 1974.

After graduation from Stanford, he served as counsel on the U.S. Senate Labor and Human Resources Committee and as a domestic policy advisor to U.S. Senator Alan Cranston (1974–1977) in Washington, D.C.

Mr. Collis returned to Los Angeles where he developed and directed Senator Cranston's statewide field and finance operations (1978–1980). Before resigning to run for the Board of Equalization, Mr. Collis was Executive Director of the U.S. Senate Democratic Leadership Circle, a nationwide effort chaired by Senator Cranston to return the U.S. Senate to Democratic control. He was also President of Collis and Associates, a Los Angeles-based consulting firm.

A former high school and college athlete, Mr. Collis runs, lifts weights, and holds a black belt in karate. He is a member of the Stephen S. Wise Temple and the American Jewish Committee.

He is married to Margaret S. Henry, a Los Angeles-based lawyer who is President-Elect of the Women Lawyers Association of Los Angeles and a member of the State Bar's Commission on Judicial Nominees Evaluation.

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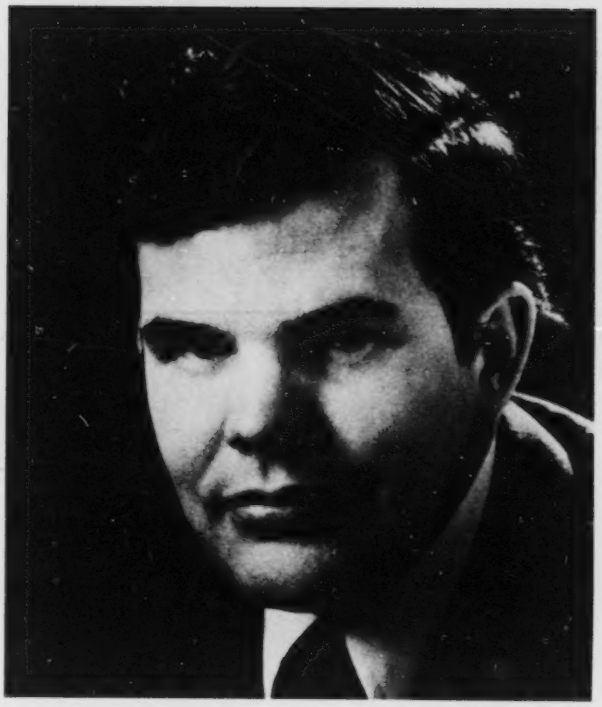
Third District



ERNEST J. DRONENBURG, JR.

Ernest J. Dronenburg, Jr. is the first Republican elected to the Board of Equalization in 24 years. In his 1982 reelection he received more than a million votes. His district, which extends from Mono County to the Mexican border, includes the urban areas of San Diego and Orange County. The district has more than six million people and covers a geographical area larger than the states of New York and Pennsylvania combined.

Mr. Dronenburg grew up in San Diego and graduated from San Diego State University in 1966 with a B.S. degree in finance and accounting and a B.A. degree in economics. After graduation he worked for five years as an industrial engineer for NCR and the Rohr Corporation.

Though many have attempted it, Mr. Dronenburg is the first employee in the 100-year history of the agency to be elected to the constitutional office of Board Member. In 1971 he started with the Board in the Business Taxes Department as an auditor and was a field audit supervisor at the time of his election.

Prior to his election Mr. Dronenburg was also a businessman in his own right. In 1973, working in his off hours, he helped start a racquetball equipment distributing company. Two years later he founded a racquetball and tennis racket manufacturing company.

Among Mr. Dronenburg's professional affiliations is his membership in the National Association of Tax Administrators and the National Association of Accountants. He is also a member of the Board of Directors of the Western Tax Association. He was the developer of the Wages and Salaries (WAS) Index theory for indexing the California Personal Income Tax.

Mr. Dronenburg is a member of the Board of Directors of San Diego County Youth for Christ and a member of the Downtown San Diego Kiwanis Club. He resides in San Diego with his wife, Kathy, and three daughters, Kristin, Amy, and Stephanie.

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Fourth District

RICHARD NEVINS

Richard Nevins was first elected in 1958 to represent the eight southern California counties with 11 million population that comprised the Fourth District at that time. The 1971 and 1983 reapportionments made all the Districts equal. The Fourth District currently has six million population in the southern, central, and eastern portions of Los Angeles County consisting of a major portion of the City of Los Angeles and 74 other incoporated cities—the central core of California's business economy. Although relatively small by geographical standards, gross product and personal income of the new District exceed amounts registered by all but a few nations of the world and are greater than 41 of the United States.

Understanding and sensitivity to the concerns of all taxpayers, tax law reform, removal of secrecy from tax administration, and economy of operation are the continuing priorities of Richard Nevins.

LOS ANGELES COUNTY
(Southern and Central Portion)

He advocates an overall review of California's tax structure to insure that no one group receives special tax breaks or advantages at the expense of other taxpayers. Proposition 13 has made a great change in the structure of state and local taxes, and has created a shift in power relationships.

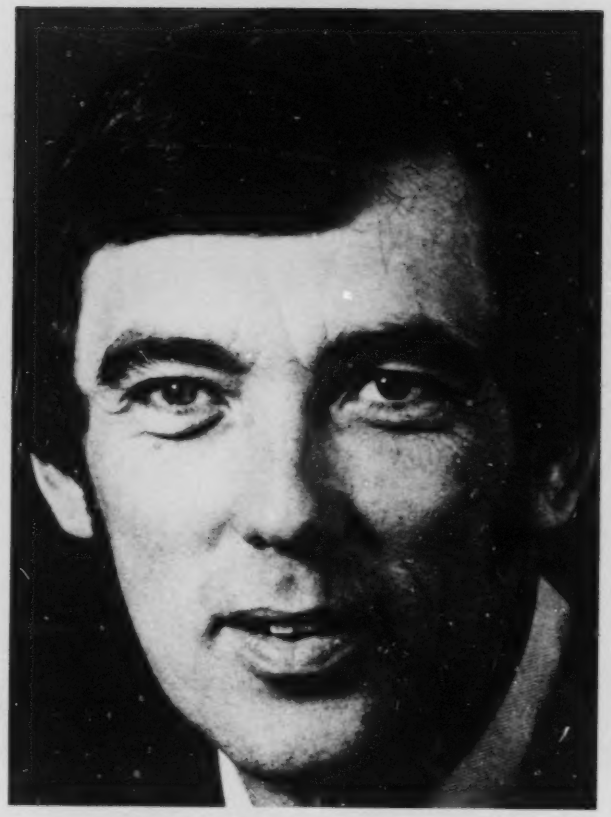
Mr. Nevins is Chairman of the Board's Legislative Committee which forms the basis for formal recommendations by the Board to the Legislature and the Governor on tax-related bills. Each year the Board proposes legislation to amend existing laws where its experience has shown that administrative or statutory problems exist.

Mr. Nevins serves as Vice President of the National Association of Tax Administrators, Finance Chairman of the Federation of Tax Administrators, and is a member of the Executive Board of the Western States Association of Tax Administrators. His other professional and civic organizations include the International Association of Assessing Officers, California Association of County Assessors, and American Society for Public Administration.

A native of Pasadena, Mr. Nevins attended Yale University where he graduated with an A.B. in Government in 1943. Following duty in the Army Air Force, he was affiliated with a nationwide insurance brokerage firm until his election in 1958. He and his wife, the former Mary Lois Minton, have three sons and three grandchildren.

State Controller

KENNETH CORY



Kenneth Cory became California's 26th State Controller on January 6, 1975, after winning election in November 1974. He was elected to a second term in 1978 and a third term in 1982.

Before becoming Controller, Mr. Cory was elected to four consecutive terms in the California State Assembly, representing the 69th District in Orange County which included his home city of Westminster. Earlier he served as Chief Consultant to the Assembly Education Committee and as Chief Administrative Officer of the Assembly. He has also engaged in farming and the insurance business.

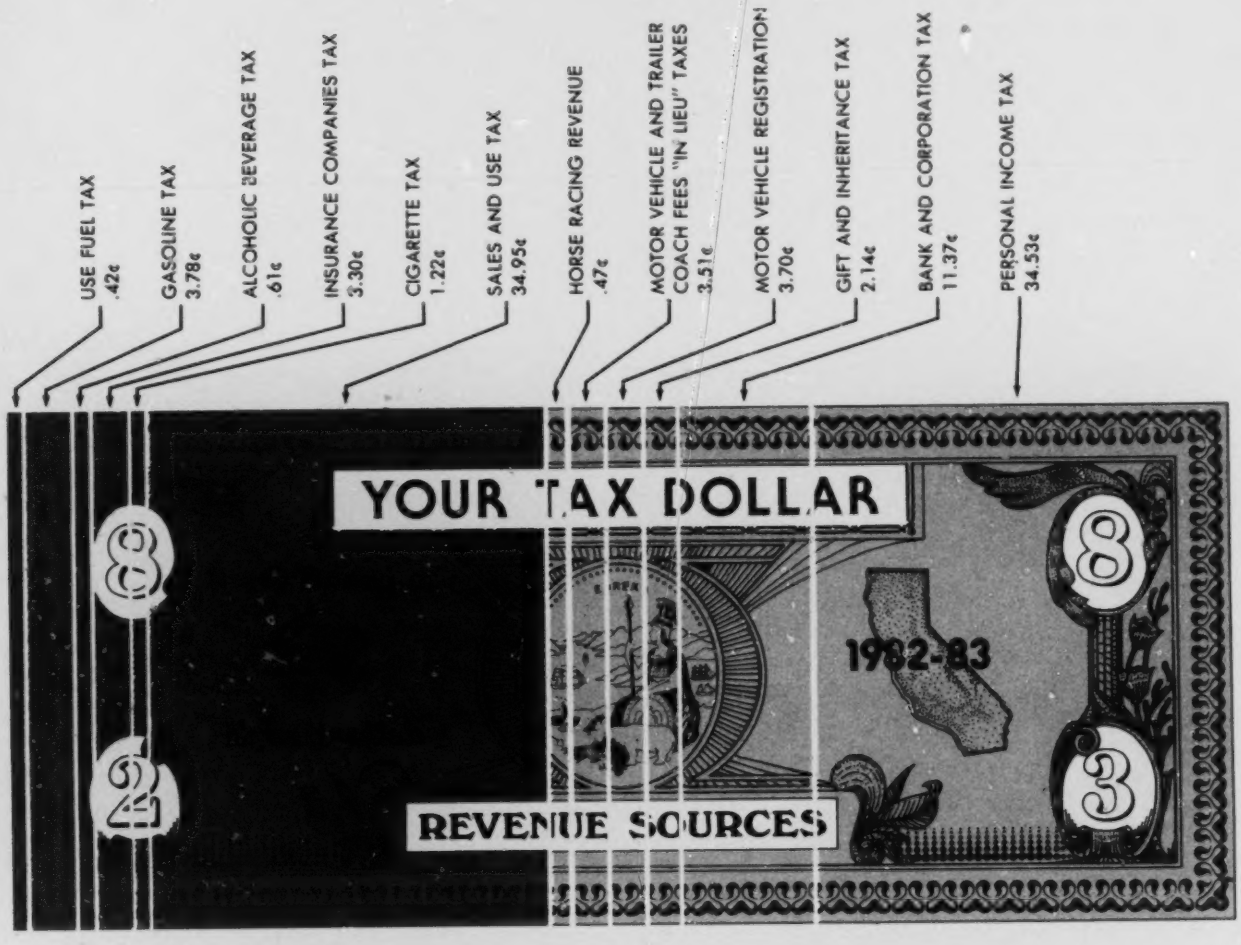
In 1970 his colleagues in the Assembly elected him chairman of the Democratic Caucus. As chairman of the Legislature's Joint Committee on Public Domain, he gained recognition for his investigation of price-fixing practices by major oil companies in California. He served as a member of standing committees on Education, Elections and Reapportionment, Revenue and Taxation, and Ways and Means.

Mr. Cory is known as one of California's leading authorities on education and school finance. He is the author of several important pieces of education legislation including bills to require instruction on dangerous drugs in public schools, to establish classes for multi-handicapped youngsters, and to enable schools to use resources of the private sector to develop innovative programs to improve reading and arithmetic instruction. He also led the fight for Superintendent of Public Instruction Wilson Riles' early childhood education legislation.

Successful Cory environmental legislation now guarantees public access to beaches and gives tax incentives to motorists driving vehicles powered by non-polluting fuels. In November 1972, voters approved the Cory-authored constitutional amendment guaranteeing citizens the right of privacy. His consumer protection efforts were recognized by the Consumers Legal Action Council in 1972 when he was named Southern California Consumer Legislator of the Year.

Born in Kansas City, Missouri, Mr. Cory moved to southern California with his parents in 1939 when he was one year old. He is a graduate of Huntington Beach High School and attended Orange Coast College, the University of Southern California and the University of California, Berkeley and Los Angeles.

SOURCES OF STATE REVENUE


USE FUEL TAX .42¢
GASOLINE TAX 3.78¢
ALCOHOLIC BEVERAGE TAX .61¢
INSURANCE COMPANIES TAX 3.30¢
CIGARETTE TAX 1.22¢
SALES AND USE TAX 34.95¢
HORSE RACING REVENUE .47¢
MOTOR VEHICLE AND TRAILER COACH FEES "IN LIEU" TAXES 3.51¢
MOTOR VEHICLE REGISTRATION 3.70¢
GIFT AND INHERITANCE TAX 2.14¢
BANK AND CORPORATION TAX 11.37¢
PERSONAL INCOME TAX 34.53¢
YOUR TAX DOLLAR
1982-83
REVENUE SOURCES

MAJOR STATE TAXES AND LICENSES IN CALIFORNIA
Fiscal Year ended June 30, 1983

Taxes administered by the Board of Equalization produced $490,638,000 in property taxes and $11,631,697,000 in business taxes for a total of $12,122,335,000. The Board's costs totaled $88,668,000 for an average of 73 cents for each $100 of revenue.

	1982–83 Fiscal Year		
		Percentages	
Board of Equalization	Revenue	Change from 1981–82	of Grand Total
Sales and Use Tax	$7,795,487,807	1.4	34.95
Gasoline and Jet Fuel Tax	843,585,773	12.2	3.78
Use Fuel Tax (mostly diesel fuel)	93,231,733	14.7	0.42
Insurance Companies Tax	736,929,149	52.2	3.30
Cigarette Tax	271,620,987	-1.9	1.22
Alcoholic Beverage Tax	136,209,250	-2.4	0.61
Grand Total—Board of Equalization	$9,877,064,699	4.8	44.28

	1982–83 Fiscal Year		
		Percentages	
Other Agencies	Revenue	Change from 1981–82	of Grand Total
Personal Income Tax	$7,701,098,677	2.8	34.53
Bank and Corporation Tax	2,536,011,366	-4.3	11.37
Motor Vehicle "in lieu" Tax	753,834,545	6.7	3.38
Trailer Coach Fees "in lieu" Tax	28,126,211	-6.1	0.13
Motor Vehicle Registration and Other Fees	825,658,928	31.9	3.70
Inheritance Tax	467,005,233	-2.8	2.09
Gift Tax	10,069,646	-31.7	0.05
Horse Racing Revenue	105,171,858	-14.9	0.47
Total—Other Agencies	12,426,976,464	2.5	55.72
Grand Total—All Agencies	$22,304,041,163	3.5	100.00

Source: State Controller's "Summary Statement of Revenues for the General Fund and Other Governmental Cost Funds"; Fiscal Year ended June 30, 1983.

II. THE BOARD

The State Board of Equalization, California's major revenue agency, is the nation's only board of tax officials who are constitutional officers elected to represent specific geographic districts of a state to administer tax revenue programs. This unique system has provided continuity in California's tax administration for over 100 years because the Board has a career staff that is not affected by changes in elected administrations. The Board has earned an international reputation for efficiency and economy of operation. The California system exemplifies the principle of taxation with representation.

The photograph on this page shows the Board in session at its Sacramento headquarters. The Board Members are (from left) Conway H. Collis, Richard Nevins, William M. Bennett, Ernest J. Dronenburg, Jr., and State Controller Kenneth Cory. At its first 1983 meeting in January, the Board reelected William M. Bennett Chairman. Ernest J. Dronenburg, Jr. was elected Vice Chairman. The Chairman of the Board of Equalization also serves as a Member of the Franchise Tax Board with the State Controller and the Director of Finance.

Formal actions of the Board are quasi-judicial, quasi-legislative, and administrative.

In its quasi-judicial role, the Board serves as the appellate body in hearing and adjudicating appeals on final actions of the Franchise Tax Board under the state's Bank and Corporation Tax, Personal Income Tax, and the Senior Citizens Property Tax Assistance Laws. The Board considers appeals by utility companies, railroads, and private railroad car firms of assessments of their properties set by the Board. The Board is also the appeals body for redetermination of Sales and Use, Motor Vehicle Fuel, Use Fuel, Cigarette, Alcoholic Beverage, and Hazardous Waste Taxes and Emergency Telephone Users and Energy Resources surcharges assessments and for Insurance Tax appeals. In property taxes, the Board considers appeals of assessments made by county assessors on lands, water rights, and certain improvements on properties owned by local governments but located outside their boundaries.

In its quasi-legislative capacity, the Board adopts rules and regulations, issues directives for the guidance of taxpayers, county assessors, and county assessment appeals boards; and conducts surveys of the operations of county assessors' offices. The Board prescribes property tax forms and publishes handbooks for the assessors' use, and oversees assessment practices. For the Sales and Use Tax and other business taxes it administers, the Board adopts regulations and publishes a law guide and a series of tax publications (Tax Tips), which offer advice and guidance to specific types of business to assist taxpayers in complying with tax law requirements.

In its administrative function, the Board determines the values of companies assessed by the state for local property taxation, confirms the 911 Emergency Telephone Users Surcharge rate, and administers the Timber Yield Tax, the Hazardous Waste Taxes, the Sales and Use Tax, the Motor Vehicle Fuel License (Gasoline) Tax, Use Fuel Tax, Alcoholic Beverages Tax, Cigarette Tax, and the Insurance Tax.

The Board conducts public meetings throughout the year, in Sacramento every month and as often as necessary in other California cities. In 1982–83, the Board also met in Arcadia, San Diego, and San Francisco.

The Board employs a staff of more than 2,600 auditors, appraisers, registration and collection technicians, analysts, clerical personnel, and other specialists in its Sacramento headquarters, in 67 field offices throughout California and in offices the Board operates in New York, Chicago, Houston, and Sacramento to serve taxpayers who do business in California although their headquarters are located in other sections of the country. The four out-of-state offices employ a total of 156 employees.

On February 2, 1983, a nonelected official participated in behalf of a Board Member for the first time in the history of the Board, when a Deputy Controller sat on the Board in place of Controller Kenneth Cory. Assembly Bill 3355, enacted as Chapter 828 of the Statutes of 1982, provided that on or after January 1, 1983, the State Controller may designate any deputy to act for him on any state board in exercise of statutory power and duties assigned to the board. The bill amended Section 7.9 of the Government Code which previously provided that a deputy could act only on boards created by statute. However, the legislation does not authorize the deputy to act in programs established by the Constitution even if those constitutional provisions have been implemented by statute.

The Board of Equalization is one of California's oldest administrative agencies. It was established in 1870 to equalize property assessments between the counties. The Constitutional Convention of 1879 elevated the Board to constitutional status, amending the Constitution to reorganize the Board and expand its membership from three to five. The four congressional districts into which the state was then divided each elected its own representative to the new Board. The State Controller was designated an ex officio member to serve at-large.

Since 1879, no change has been made in the number of Equalization Districts or Board Members nor in their four-year elective terms. The Constitution directed the Legislature to reapportion the districts after each decennial census so that the population of the districts is as nearly equal as possible. The original boundaries of the four Equalization Districts remained virtually unchanged until 1971 when the first major reapportionment was made. A second major reapportionment was attempted in 1981 to reflect population changes reported in the 1980 census. However, the Legislature could not agree on a formula and the State Supreme Court declined to act on the matter. In 1982 the Legislature enacted Assembly Bill 2X which was enrolled as Chapter 6, Statutes of 1983, First Extraordinary Session, that reapportioned the four Equalization Districts. The new alignment became effective October 18, 1983, 91 days after the adjournment of the special session in which the reapportionment bill was enacted. The Equalization Districts were also renumbered to comply with constitutional direction (Article XXI, Section 1) that districts within the state be numbered in a uniform manner starting from the north and proceeding southward. Reapportionment altered the existing Equalization Districts as follows:

First Equalization District (formerly Third District), represented by Member William M. Bennett, consists of 33 counties. Reapportionment added the counties of Alpine, Amador, Calaveras, El Dorado, Placer, and Tuolumne. The District relinquished San Joaquin County.

Second Equalization District (formerly First District), represented by Member Conway H. Collis, consists of 17 counties. Reapportionment added the counties of Fresno, Kings, Tulare, and San Joaquin. The District lost the counties of Inyo, Mono, Alpine, Amador, Calaveras, El Dorado, Placer, and Tuolumne. The District also includes a portion of Los Angeles County. In the northern and western portions of Los Angeles County, reapportionment added the cities of Beverly Hills and Santa Monica. The District relinquished the cities of Arcadia, Azusa, Burbank, Covina, El Monte, Monrovia, and Pomona.

Third Equalization District (formerly Second District), represented by Member Ernest J. Dronenburg, Jr., consists of eight counties. Reapportionment added the counties of Inyo and Mono. The District relinquished Fresno, Kings, and Tulare Counties.

Fourth Equalization District (no number change), represented by Member Richard Nevins, consists of the southern, central, and eastern portions of Los Angeles County. Reapportionment added the cities of Arcadia, Azusa, Burbank, Covina, El Monte, Monrovia, and Pomona in Los Angeles County. The District relinquished the cities of Beverly Hills and Santa Monica.

Following is the new alignment of counties in California's four Equalization Districts:

FIRST DISTRICT. Counties of Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, Santa Clara, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Tuolumne, Yolo, and Yuba.

SECOND DISTRICT. Counties of Fresno, Kings, Madera, Mariposa, Merced, Monterey, San Benito, the City and County of San Francisco, San Joaquin, San Luis Obispo, San Mateo, Santa Barbara, Santa Cruz, Stanislaus, Tulare, Ventura, and Los Angeles (northern and western portions of the county, including West Los Angeles, the San Fernando and Antelope Valleys).

THIRD DISTRICT. Counties of Imperial, Inyo, Kern, Mono, Orange, Riverside, San Bernardino, and San Diego.

FOURTH DISTRICT. County of Los Angeles (southern, central and eastern portions, consisting of a major portion of the City of Los Angeles and 74 other incorporated cities).

The evolution of the Board of Equalization is recorded on the next page in a chronological history, listing the duties and functions as they have been assigned through the years.

HISTORY OF THE STATE BOARD OF EQUALIZATION

1870 State Board of Equalization created by Legislature to deal with property assessment abuses among counties. Board consisted of State Controller and two members appointed by Governor.[1]

1879 State Board of Equalization established under the State Constitution to regulate county assessment practices, equalize county assessment ratios and assess properties of intercounty railroads. Board consisted of four members elected from Equalization districts and the State Controller.[2]

1911 Constitutional Amendment provided for Board assessment of corporation franchise taxes, bank share tax, gross receipts taxes on public service corporations (utilities), and insurance taxes.

1923 Motor Vehicle Fuel (gasoline) Tax enacted.

1929 Bank and Corporation Franchise Tax enacted with State Board of Equalization as an administrative appellate agency replacing previous assessing function.

1933 Retail sales tax, motor vehicle transportation license tax, and alcoholic beverage tax enacted. Riley-Stewart Plan enacted—assessment of designated public utility properties for local tax purposes.

1935 Use Tax enacted—provided further revenue, protected California retailers from tax-free competition from out-of-state sellers. Personal Income Tax enacted with State Board of Equalization as an administrative appellate agency.

1937 Use Fuel Tax enacted—diesel tax became a supplement to the gasoline tax.

1937 Private Car Tax enacted—state tax on privately owned railroad cars.

1951 Administration of Itinerant Merchants Act transferred by legislation from the Public Utilities Commission to the Board of Equalization. This law imposed an annual fee on persons hauling produce across county lines.

1955 Constitutional Amendment transferred licensing and control of alcoholic beverages from the Board of Equalization to a new Alcoholic Beverage Control Department and the appellate function to the Alcoholic Beverage Control Appeals Board. Taxing functions remained with the Board.

1955 Board-administered Local Sales and Use Taxes program initiated. All California cities and counties were included by 1962.

1959 Cigarette Tax enacted.

1961 Itinerant Merchants law repealed.

1963 Subscription Television Tax enacted.

1964 Subscription Television Tax repealed by an initiative measure.

1966 Property Tax Assessment Reform Law enacted—mandated certification and training of appraisers, surveys of county assessors' offices, and development of property tax rules and regulations. Also added an appeal procedure at the staff level to the sample property appraisal process.

1967 Legislative action increased the Cigarette Tax and provided that 30 percent of the receipts be distributed to cities and counties according to an equitable allocation formula based on local sales tax allocations.

1969 Aircraft Jet Fuel Tax enacted.

1970 State-administered Transit District Sales Tax program enacted—Bay Area Rapid Transit District and Southern California Rapid Transit District.

1973 Motor Vehicle Transportation License Tax repealed.

1974 Waxman-Dymally Campaign Disclosure Legislation enacted—provided for audit of campaign statements. This activity terminated late in 1975 with passage of Proposition 9, Political Reform Act, in November 1974.

1975 Electrical Energy Surcharge enacted—to fund the State Resources Conservation and Development Commission.

1976 Timber Yield Tax enacted. Emergency Telephone Users Surcharge Law enacted.

1977 Litter Control, Recycling, and Resource Recovery Assessment Act enacted.

1978 Proposition 13 adopted by the electorate June 6, 1978 added Article XIIIA to the California Constitution. It changed the system of real property taxation by restricting the maximum ad valorem tax to 1 percent of full cash value, permitting a maximum 2 percent annual increase in the fair market value base to reflect inflation.

1978 Proposition 8 adopted November 7, 1978 amended Article XIIIA to allow reduction of the full cash value base of real property to reflect substantial damage, destruction, or other factors which cause the value to decline.

1982 Administration of two hazardous substances taxes assigned to the Board by legislation. One is imposed on persons who generate hazardous waste and dispose of it in California. The other, transferred from the Department of Health Services, is imposed on operators of waste disposal sites.

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[1] Although California Governor H. H. Haight "strongly advocated in his message of 1869 the establishment of a state board of equalization," it was not until April 4, 1870 that "the legislature passed a bill . . . creating a state board of equalization composed of the state controller and two members to be appointed by the governor for a term of four years."

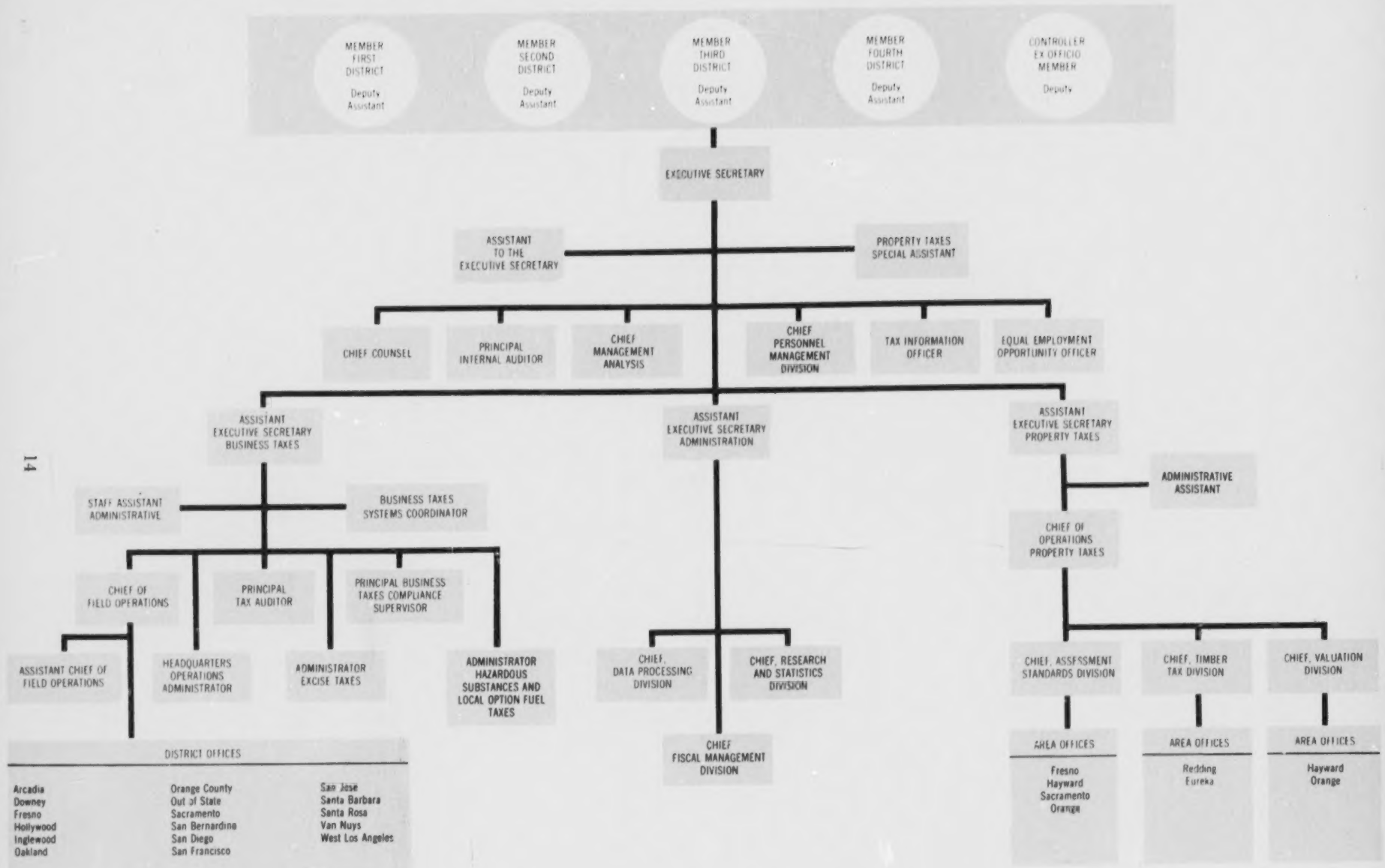
—A Financial History of California,
by William C. Fankhauser—1913

"The Board held its first meeting on the second Monday of July, 1870, and organized by electing Robert Watt (Controller) President and E. W. Maslin, Secretary of the Board." The Legislature's Act of April 4, 1870 did not go into effect until July, 1870.

—First Biennial Report of the
State Board of Equalization
November 1, 1871

[2] The Board in its present form was established by Article XIII, section 9 of the Constitution of 1879. "As originally ratified, (it) provided that the board should consist of one member from each congressional district in the State, to be elected by the qualified electors of their respective districts at the general election to be held in 1879, whose term of office, after those first elected, should be four years, and that the Controller should be ex officio a member of the board."

—California Blue Book or State Roster—1909


MEMBER FIRST DISTRICT
Deputy Assistant
MEMBER SECOND DISTRICT
Deputy Assistant
MEMBER THIRD DISTRICT
Deputy Assistant
MEMBER FOURTH DISTRICT
Deputy Assistant
CONTROLLER EX OFFICIO MEMBER
Deputy
EXECUTIVE SECRETARY
ASSISTANT TO THE EXECUTIVE SECRETARY
PROPERTY TAXES SPECIAL ASSISTANT
CHIEF COUNSEL
PRINCIPAL INTERNAL AUDITOR
CHIEF MANAGEMENT ANALYSIS
CHIEF PERSONNEL MANAGEMENT DIVISION
TAX INFORMATION OFFICER
EQUAL EMPLOYMENT OPPORTUNITY OFFICER
ASSISTANT EXECUTIVE SECRETARY BUSINESS TAXES
ASSISTANT EXECUTIVE SECRETARY ADMINISTRATION
ASSISTANT EXECUTIVE SECRETARY PROPERTY TAXES
STAFF ASSISTANT ADMINISTRATIVE
BUSINESS TAXES SYSTEMS COORDINATOR
ADMINISTRATIVE ASSISTANT
CHIEF OF FIELD OPERATIONS
PRINCIPAL TAX AUDITOR
PRINCIPAL BUSINESS TAXES COMPLIANCE SUPERVISOR
CHIEF OF OPERATIONS PROPERTY TAXES
ASSISTANT CHIEF OF FIELD OPERATIONS
HEADQUARTERS OPERATIONS ADMINISTRATOR
ADMINISTRATOR EXCISE TAXES
ADMINISTRATOR HAZARDOUS SUBSTANCES AND LOCAL OPTION FUEL TAXES
CHIEF, DATA PROCESSING DIVISION
CHIEF, RESEARCH AND STATISTICS DIVISION
CHIEF, ASSESSMENT STANDARDS DIVISION
CHIEF, TIMBER TAX DIVISION
CHIEF, VALUATION DIVISION
CHIEF FISCAL MANAGEMENT DIVISION
DISTRICT OFFICES
Arcadia
Downey
Fresno
Hollywood
Inglewood
Oakland
Orange County
Out of State
Sacramento
San Bernardino
San Diego
San Francisco
San Jose
Santa Barbara
Santa Rosa
Van Nuys
West Los Angeles
AREA OFFICES
Fresno
Hayward
Sacramento
Orange
AREA OFFICES
Redding
Eureka
AREA OFFICES
Hayward
Orange

III. ADMINISTRATION

DOUGLAS D. BELL
Executive Secretary

BENJAMIN P. DYE
Assistant
Executive Secretary
Administration

J. D. DOTSON
Assistant
Executive Secretary
Business Taxes

GORDON P. ADELMAN
Assistant
Executive Secretary
Property Taxes

JAMES J. DELANEY
Chief Counsel

The tax programs administered by the Board of Equalization generated more than $20 billion in tax revenue for state and local governments during 1982–83.

The Executive Secretary of the Board is responsible for directing the administration of these tax programs and for interpreting and implementing Board policies, rules, and guidelines. The Executive Secretary represents the Board in day-to-day operations, recommends policy changes, and organizes the public meetings of the Board. He is assisted by the Board's Chief Counsel and three Assistant Executive Secretaries—for Business Taxes, Property Taxes, and Administration, the three major components of the Board's organization.

Douglas D. Bell has been Executive Secretary of the Board since May 1, 1977. Mr. Bell joined the Board in 1947 and is the first Board employee promoted to the chief administrative officer position since the Board was created in 1879.

James J. Delaney came to the Board in 1956 and was appointed Chief Counsel on January 1, 1977. Mr. Delaney came to the Board in 1956 and was formerly Assistant Chief Counsel for Property Taxes.

J. D. Dotson, Assistant Executive Secretary for Business Taxes, has served in that position since January 1, 1977. Previously, Mr. Dotson was Chief of Field Operations for Business Taxes. He has been a Board employee since 1950.

Gordon P. Adelman was named Assistant Executive Secretary for Property Taxes on May 1, 1979. A Board employee since 1966, Mr. Adelman was formerly Assistant Executive Secretary for Administration.

Benjamin P. Dye was appointed Assistant Executive Secretary for Administration effective March 6, 1980. Mr. Dye has been a Board employee since 1948 and previously served as Principal Internal Auditor.

Administration units provide specialized control and support functions for Board operations. Those functions include legal counseling, management analysis, banking and cashiering, budgeting and fiscal management, data processing, mail processing, statistical research and analysis, internal audit, tax information, personnel management, equal employment opportunity development, employee assistance, labor relations, printing and supply, and facilities management.

Legal Advice

A staff of 34 attorneys in the Legal Section provides legal advice to the Board, its staff, local taxing authorities, and the public.

Seven attorneys and three auditors serve as hearing officers, conducting preliminary hearings for the

Board on business taxes appeals, claims for refund, and related cases. During fiscal year 1982–83, 3,956 business taxes appeals were filed with the Board and 772 preliminary hearings were held throughout the state for the convenience of taxpayers. Some 64.4 percent or 497 of these cases were resolved by preliminary hearing and 35.6 percent or 275 cases went on to the next level of review, a nonadversary hearing before the Members of the Board where the legal staff presents the available facts and an analysis of the law. The taxpayer, who may be represented by counsel, can appear and contest the staff's position. During fiscal year 1982–83, the Board disposed of a total of 3,773 business taxes appeals, 266 as a result of oral hearings before the Members of the Board.

The legal staff also assists the Board Members in their role as the appellate body from Franchise Tax Board actions under the Personal Income Tax and Bank and Corporation Tax Laws. Staff attorneys prepare analyses and recommendations on a rapidly growing number of Franchise Tax Board appeals. During 1982–83, 2,396 appeals were filed—up 61.6 percent from the previous fiscal year and a 343 percent increase from 1978–79. Approximately one-third of these appeals were filed by tax protesters. The Franchise Tax Board, like the Internal Revenue Service, has in recent years stepped up its efforts to collect taxes from tax protesters. Difficult economic conditions have also increased the resistance to taxation. Additional and more complex tax appeals are expected in the near future as the Franchise Tax Board concentrates its efforts on auditing abusive tax shelter schemes.

The Board resolved 1,308 Franchise Tax appeals in 1982–83 and issued 730 formal opinions which provide guiding principles and statutory interpretations for use by taxpayers and the Franchise Tax Board.

The Board's attorneys, assisted by its business and property taxes staffs, draft the administrative rules and regulations adopted by the Board to implement its tax laws. The Legal Section helps the business taxes staff with the collection of delinquent taxes.

Board attorneys Ken McManigal and Margaret Shedd analyze the impact of recent legislation on the administration of property taxes.

Gary Jugum, Assistant Chief Counsel for Business Taxes, reviews the draft of a proposed new Sales Tax regulation.

The legal staff plays a role in the annual valuation of privately owned public utilities and railroads, providing advice to the property taxes staff on the application of the law and representing the staff's position at Board hearings of state assessee appeals of their property values. County assessors and other local government officials, such as county auditors, tax collectors, and redevelopment agencies also receive advice from the Board's legal staff on the application of property tax law.

The legal staff provides oral and written interpretation of tax laws and regulations for the public upon request.

Legislative Analysis

As the state's major tax agency, the Board plays an important role in the formulation of the state's tax legislation and policies through its analyses of proposed tax measures and the assistance it provides the Legislature, the Department of Finance, and the Governor.

The Board's legal staff assists legislators upon request by drafting proposed bills or amendments and providing testimony on tax proposals before legislative committees.

More than 3,500 measures were introduced in the first six months of the two-year legislative session which convened January 3, 1983. The Board followed 269 measures relating to the tax programs it administers and performed a detailed analysis of 177 bills and constitutional amendments.

Legislative bill analysis is a cooperative effort coordinated by the Board's Legal Section which reviews the tax program impact, cost of administration, and revenue effect. The Management Analysis Section estimates the cost of administering the proposed legislation; the Research and Statistics Division forecasts the effect on revenues; and the Business Taxes and Property Taxes Departments assess the potential

impact on existing tax programs. The resulting analyses are furnished to bill authors, the appropriate committees of the Legislature, the Governor, the Department of Finance and the Legislative Analyst's office.

Based on the recommendations of its Legislative Committee chaired by Member Richard Nevins, the Board develops a legislative program each year to improve the administration of existing tax laws where its experience has shown that problems exist. During 1982–83 the Board sponsored five measures, the most significant of which was a bill to repeal the sales tax exemption for gasoline used in propelling aircraft when the fuel is also subject to the gasoline tax. The remaining four bills dealt with technical changes to business and property tax laws.

The Regulatory Process

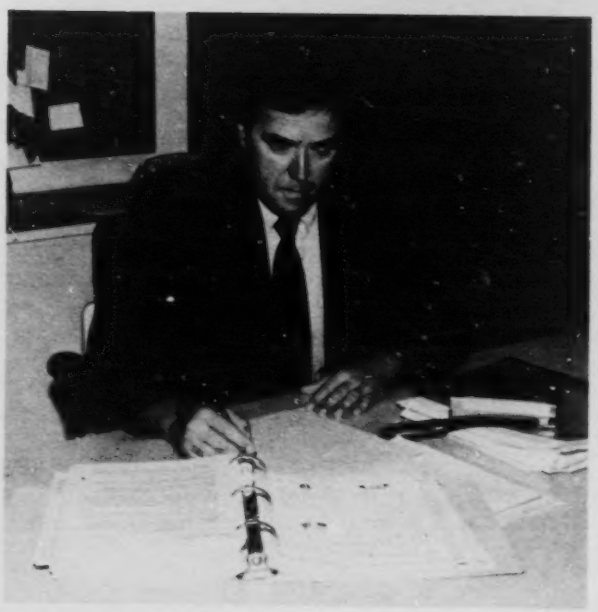
The Board adopts rules and regulations clarifying the laws it administers for the guidance of taxpayers, county assessors, county assessment appeals boards, and its own staff.

Board regulations are adopted, amended, or repealed in response to changes in the law, court decisions, or a need for clarification perceived by the Board staff or the affected industry.

The Board's legal staff and tax program staff work together to draft new regulations or amendments to existing regulations. If the proposed change is a significant one, the staff will meet early in the drafting process to discuss the issue with industry representatives, county assessors, or other interested parties.

Once the Board authorizes publication of a proposed regulation or amendment, it is sent to the State Office of Administrative Law for publication in the Notice Register, a weekly bulletin of proposed regulatory activity by all state agencies. Subscribers to the Notice Register include legislators, lobbyists, state and local agencies, and business and professional associations. The proposed amendment is also mailed by the Board to all interested parties who have requested notification of changes to regulations affecting a particular type of business or industry. This mailing list is comprised of 2,500 individuals or companies in 47 subject categories. The notices mailed to interested parties include the date, time, and place of the public hearing on the proposed change. The publication of proposed changes is followed by a 45-day waiting period for public comment.

Although it is not required to do so by law, the Board holds public hearings on all changes to its rules and regulations. At these hearings, all interested parties may testify and all written and oral comments submitted during the 45-day public comment period are considered. If the Board makes additional changes at the public hearing to the rules as published, the item will be held for an additional 15 days before adoption.



Staff Manager Carl Allin edits the draft of a Management Analysis study of the Board's word processing needs.

Adopted regulations are filed with the Office of Administrative law which has 30 days to review them for clarity of meaning, necessity, accuracy, and consistency with other Board and state regulations. When its review is completed, the Office of Administrative Law amends the California Administrative Code, incorporating the revised regulation.

In addition to inviting comment and holding public hearings prior to the adoption, amendment, or repeal of its regulations, the Board makes every effort to notify taxpayers of those changes which have been finalized. All regulations changed during the past quarter are listed by number and title in the Tax Information Bulletin which is mailed to all registered taxpayers and interested parties. The Board will provide copies of amended regulations to the public free of charge. Announcements of public hearings and the final actions on regulations are also included in the public agenda notices distributed to the press.

Statistical Research and Analysis

The broad range of economic data available to the Board through its administration of California's business and property taxes is used to provide a variety of statistical and economic research data to the Board, and to federal, state, and local agencies, as well as the Legislature. Data collected by the Board is also used for planning and forecasting purposes by banks, economists, private consultants, real estate developers, and others.

The Research and Statistics Division reviews revenue aspects of existing tax laws to help the Board maintain efficient administration of its tax programs. The Division, for example, analyzes sales tax audit results to assist the Board in refining its audit selection procedures. Revenue estimates on proposed tax legislation are prepared to help the Board in making recommendations to the Legislature.

The Board prepares a number of reports based on data from its tax programs. The quarterly publication, "Taxable Sales in California," details by location and type of business all transactions subject to sales tax and is widely used to measure sales trends in the state's economy. Information on locally assessed property values throughout the state is tabulated and analyzed to estimate the revenue effects of proposed property tax legislation. The Division also compiles statistical data for the appendix to this Annual Report to the Governor, the California Statistical Abstract, the Governor's Economic Report, and other publications.

Based on the information accumulated from the administration of state excise taxes on motor vehicle fuel, the Board prepares statistics on fuel consumption in California and furnishes the data to state and federal government planners, the media, the petroleum industry, and other private firms.

Local jurisdictions considering annexation or incorporation may receive estimates of tax revenues from the Board. Its Research and Statistics Division developed approximately 30 revenue estimates for county local agency formation commissions and city officials during 1982–83. The Division also prepared on a fee-for-service basis serveral hundred market studies of specific geographical areas for newspapers and consultants for shopping centers, retail stores, and restaurants.

Data Processing

A second Sperry Univac 90/80 computer was installed in the Board's Data Processing Division in April 1983 to help meet the demands of its growing workload. The new 90/80 will serve as a supplemental computer to be used by programmers to redesign existing programs and develop and test new ones. Program development is essential to accommodate the demands of new tax programs assigned to the Board, such as the new transit taxes in Los Angeles and San Mateo Counties effective July 1, 1982; the two hazardous substances tax programs added October 1, 1982; and legislation requiring increasingly complex interest computations on delinquent taxes.

The addition of the second computer has reduced the demands on the main computer and thus speeded up response times on data inquiries to the primary system. The second computer will be used as a backup if a major problem develops with the primary system and will also have applications which will allow it to play a role in the tax return processing system.

In the Data Transcription Unit, information from tax returns becomes part of the Board's automated data processing system.

The two computers support a statewide communications network of 172 video terminals and 101 remote printers which comprise a Business Taxes Consolidated Information System. This system provides the Board's field offices and headquarters units instant access to current sales tax account information, thus improving service to taxpayers and the efficiency of internal operations. Video terminals at headquarters not only supply account information, but may also be used to enter petition and refund information and to make changes to tax return payment records. During the 1982–83 fiscal year, over 8 million inquiries were made through the system, an increase of 13.2 percent over the previous fiscal year.

Two new services were added to the Business Taxes Consolidated Information System during 1982–83 to aid the productivity of the Board's field auditors. A program was developed to generate random number samples tailored to fit the statistical sampling needs of any particular audit. Using a field office video, Board auditors may enter a specific request and receive the results within minutes. This saves them the time-consuming job of setting up the statistical sample manually.

The second new service provided by the system is on-line daily interest calculations. Legislation passed in 1982 (AB 8X) established variable interest rates tied to the commercial prime rate and required that interest on delinquent tax payments be computed on a daily simple basis starting June 1, 1982, and compounded daily effective July 1, 1983. Auditors may use video terminals to obtain interest calculations. The computer will provide an instant printout of the total interest due for multiple tax periods with different interest rates and penalty totals. It will also show automatically the allocation of tax revenues to state, local, and transit district jurisdictions.

Computer Operator Jeff Smolinski presides over the control panel of the Board's new "System II" computer.

An additional service provided to field auditors is the use of data processing facilities to produce printouts of data using an audited company's own computer tapes. If the company is willing to supply the field auditor with its data on magnetic tape (thus saving its own computer time), the Board can perform the automated processing according to the auditor's specific requirements. Data processing facilities provided support in two major audits in 1983, resulting in substantial savings in field audit staff time.

A Univac UTS-40 terminal—capable of functioning as an ordinary video, a microcomputer, or a word processor—was installed in the Data Processing Division in December 1982. The microcomputer capabilities of the UTS-40 are being used by the Board's Budget Office to explore the possibility of automating the budget preparation process. The UTS-40 appears to have the potential to save a significant amount of staff time in the development of worksheets used to allocate costs and personnel-years reflected in the Board's portion of the Governor's budget.

The automated data processing system which supports the Board's administration of the Timber Yield Tax was significantly redesigned in 1982–83. Terminals in the Timber Tax Division now provide on-line inquiry and input capability to the new registration, harvest operations, tax return, and harvest value schedule systems. Additional systems to allocate Timber Tax revenues to the counties and to compile harvest report data are under development.

The Board's valuation of public utility properties and railroads began receiving additional data processing support during the fiscal year with the installation of a video terminal and printer in its Valuation Division. The automated system under development will provide detailed information on the appraised values and locations of utility and railroad properties. This data will be used by staff to develop annual property value recommendations and to allocate final values to county property tax rolls.

Same-Day Deposit Program for Tax Payments

The Board places a high priority on depositing all tax payments as quickly as possible in order to speed cash flow to the state and to earn maximum interest on revenues.

During 1982–83, the headquarters cashier unit and related units processed and deposited 3.7 million tax payments within 24 hours of receipt—most within eight hours. Deposits totaled nearly $11.7 billion, up 3.7 percent from the previous fiscal year.

The use of Magnetic Ink Character Recognition (MICR) equipment helps speed the process by imprinting the amount of the checks, sorting them for deposit in the appropriate bank, and providing control tapes for accounting purposes. To eliminate the ten-day float time during which no interest is earned, deposits of out-of-state checks in the amount of $1 million or more are credited to the state immediately under the terms of a contract with a major bank.

Senior Account Clerk Veronica Collins operates MICR equipment used by the headquarters Cashier Unit to speed the deposit of tax payment checks.

Personnel Management

A freeze on hiring and promotions at all state agencies, including the Board of Equalization, ordered by Governor George Deukmejian, was in effect from January 3 to June 30, 1983. (A subsequent Executive Order extended a modified freeze throughout all of 1983.) Hiring and promotional transactions at the Board came to a virtual standstill during this period. Four vacancies were filled by disabled or economically disadvantaged persons through the Career Opportunity Development program which was not subject to the freeze. Promotion of employees from

Mary Hollander, Program Technician in the Exam Unit, uses the Personnel Management Division's new video terminal to check promotional eligibility lists.

the trainee to the journey level after satisfactory completion of probation was also disallowed during the freeze, despite numerous appeals to gain Department of Finance approval.

Prior to the freeze, the Board was an active participant in a State Personnel Board program to assist state employees who were facing potential layoff or demotion as a result of budgetary cutbacks or reorganizations in other departments. These employees may voluntarily place their names on an SROA (State Restriction of Appointments) list for their classification and receive top priority consideration for vacancies to be filled in other departments. Through this program, the state may make reductions in staff through attrition, avoiding layoffs or demotions of its employees. During the 1982–83 fiscal year the Board hired 12 employees from clerical and professional SROA lists.

The Board received delegated testing authority for seven additional classifications during 1982–83 and is now empowered by the State Personnel Board to administer exams and certify lists of eligible candidates for a total of 44 entry-level and promotional classifications encompassing the majority of its employees. During the fiscal year, the Board administered 13 examinations, processing 2,202 applications and conducting interviews totaling 1,286 hours of staff time.

To speed the examination process and keep abreast of its workload, the Personnel Management Division had a computer terminal installed in November 1982. The terminal, connected to the Board's central computers, gives the staff on-line capability to schedule tests, enter results, and generate certification lists. This ability to handle an expanding workload is a necessary step toward achieving the Board's goal of assuming delegated testing responsibility for all of the 75 classifications it uses.

The Board, with the largest audit staff in state government, conducts a vigorous auditor recruitment program employing its delegated testing authority for the entry-level Auditor I class. The Board's recruitment team, comprised of a statewide coordinator based in Sacramento and five regional recruiters, visited 32 universities and colleges in 1982–83, administering the Auditor I exam to over 550 candidates. An additional 400 applicants were interviewed during monthly open examinations in Long Beach, Oakland, and Sacramento. Of the 1,076 successful Auditor I candidates placed on hiring lists in 1982–83, 42.9 percent were women; 8.1 percent, Hispanic; and 8.8 percent, black.

As part of its auditor recruitment effort, the Board launched a speakers bureau in January 1983, which is designed to familiarize graduating accounting and business students with the advantages of working for the Board. Board auditors—mostly alumni of the colleges and accounting societies where they speak—describe the ways in which the Board is a competitive employer. By publicizing the Board as an attractive employer, recruiters expect to increase the number and quality of the students who sign up for campus interviews and testing.

Training

The Board provides training for its staff in order to achieve organizational objectives more effectively through the improved job performance of its employees. Training also helps employees develop their skills in order to qualify for promotion.

Plans for training originate with discussions between employees and supervisors during March and April of each year. Requests for training are categorized in four groups: first priority is job-required training, followed by job-related, upward mobility, and then career-related training.

Individual training requests are reviewed and ultimately formulated into an annual training plan which reflects the needs of headquarters and field offices, the Board's three departments, and the needs of the Board as a whole. This annual training plan is developed by the Board's Training Manager assisted by the Training Committee—a representative group of employees from field offices and headquarters units—for submission to the Executive Secretary at the beginning of each fiscal year.

The Board provides training for its employees through internal, interagency, and out-service training sources. The majority of training requests are met by internal training courses, designed and instructed by Board staff under the guidance of its Training Office. Internal courses include specialized classes for the professional staff in property tax appraisal, business tax law, audit, compliance, and data processing. The Board also conducts clerical, supervisory, and management training, as well as general training courses. New courses presented this year

deal with preventing sexual harassment at work, administering the state's disciplinary process, and reducing attitudinal barriers against the handicapped. During the year, two existing courses—"Listen to Communicate" and "Effective Telephone Usage"—were revised.

The Board's courses for tax auditors and property appraisers are recognized for continuing education credit by the Society of Certified Public Accountants, the American Institute of Real Estate Appraisers, and the Society of Real Estate Appraisers.

Interagency training is provided by either the State Department of Personnel Administration or the Department of General Services. Out-service training is authorized when the training need cannot be met by internal or interagency training. Sources of out-service training include private training institutions, California state colleges and universities, and the U.S. Civil Service Commission.

In addition to regular classroom instruction, the Board employs a video-assisted self-teaching system to train staff at a fraction of the cost of manufacturers' schools and other conventional training. The Data Processing Division has been the major user of this system which was installed in 1980, but the Training Office is expanding its use to include a broader variety of courses.

During 1982–83, the Training Office began to use data processing services to record and implement the annual training plan, store training records of Board employees, and maintain the training budget. This automated system will become fully operational in 1983–84.

Equal Employment Opportunity

The Board conducts an Equal Employment Opportunity program with the goal of bringing the composition of its staff to a level of parity with the proportion of minorities, women, and disabled persons in California's workforce as a whole.

Despite the hiring freeze, the Board was able during the fiscal year to increase the number of Hispanic employees on its staff from 207 to 273 a 2.4 percent gain. Hispanics now comprise 10.7 percent of the Board's workforce, a substantial increase from the 4.1 percentage in 1977. However, the current figure remains below the new labor force parity figure of 17.2 percent. This figure was revised during the fiscal year to reflect data collected during the 1980 census; the previous parity figure was 13.7 percent.

The number of black employees on the Board staff was increased by 11, bringing total representation to 6.3 percent. Parity for black employees in the clerical and professional classifications had been reached in 1979–80. However, following the recent revision of the parity figure to 6.6 percent, black employees are now underrepresented by 0.3 percent.

The Board's goal for hiring the disabled is to bring its workforce representation to 6.3 percent; the Board presently employs 101 disabled individuals, comprising 4.0 percent of the staff.

The Board continued its efforts to improve the numbers of women in the professional classifications, where they are underrepresented. Although promotions, as well as hiring, were subject to the freeze during the last half of the fiscal year, gains were made during the first six months when 92 of the professional promotions went to women. Women now comprise 20.8 percent of the professional classes at the Board.

During 1982–83, the Board adopted policies on age discrimination, sexual harassment, and reasonable accommodation for handicapped employees. A course for managers and supervisors on preventing sexual harassment in the workplace was developed by its Equal Employment Opportunity Office and was taught in Sacramento headquarters and in some field offices. Another course on sexual harassment prevention will be offered to employees during fiscal year 1983–84.

Because of the hiring freeze and increasing workloads, the Equal Employment Opportunity program turned its recruitment efforts toward federally fund-

Recruitment Coordinator Michael Placencia describes to accounting and business students throughout the state the advantages of the Board as an employer.

ed work experience programs. Throughout the year, the Board worked with several community organizations, such as the Sacramento Concilio, Women's Employment Services and Training (WEST), Project Move, the Urban League, and La Familia. The Board employed 75 work experience trainees during the fiscal year, including 16 in field offices from Stockton to San Diego. The hiring of trainees in field offices marked the beginning of the Board's first statewide federally funded work experience program.

The Board worked with the Department of Rehabilitation and the Employment Development Department in a joint effort to employ nine disabled individuals and four economically disadvantaged persons. The Board also hired an Auditor I under the Career Opportunity Development (COD) program —the first state department to do so.

The Board encourages its clerical and technical employees to seek promotional opportunities through the Upward Mobility Training Program which helps them meet the educational requirements for promotional exams. In 1982–83, 93 employees were enrolled in this program.

The Board uses the Management Services Technician "bridging" classification to provide an opportunity for clerical and technical employees to obtain qualifying experience for professional exams. The classification has been designated as the formal upward mobility path into the Tax Auditor and Business Taxes Representative series, as well as the other professional classes within the Board. The classification serves as a personnel management tool enabling the Board to meet its established upward mobility goals.

Collective Bargaining

Fiscal year 1982–83 saw the completion of the first full cycle of collective bargaining between the State of California and its represented employees. The process began in 1977 with the enactment of the State Employer-Employee Relations Act (SEERA) and ended July 1, 1982, the effective date of the state's first collective bargaining agreements.

SEERA provides a system for rank-and-file employees to organize and elect an exclusive representative (union) to bargain collectively over wages, hours, and other terms and conditions of employment, and to enter into binding labor agreements with the state.

Under SEERA, supervisory employees have limited meet-and-confer rights and are able to organize to represent themselves. Supervisory employees are not allowed to seek representation in those unions which represent rank-and-file employees or enter into labor agreements. The salaries and benefits of managerial and confidential employees are determined jointly by the Governor and the Legislature through the state budget process.

The Board of Equalization has employees in eight bargaining units, six of which are represented by the California State Employees' Association (CSEA). CSEA represents Unit 1 (Administrative, Financial and Staff Services), Unit 3 (Education and Library), Unit 4 (Office and Allied), Unit 11 (Engineering and Scientific Technician), Unit 12 (Craft and Maintenance) and Unit 14 (Printing Trades). Bargaining Unit 2 (Attorneys and Hearing Officers) elected the Association of California State Attorneys and Hearing Officers as its exclusive representative, while

Fiscal Management Division Chief Gene Norris and Senior Accounting Officer Vicki Kjer sign the daily transmittals which forward to the State Treasurer the tax revenues collected by the Board.

In the Fiscal Management Division, Bookkeeping Machine Operator Ellen Juko makes entries to the general ledger summarizing the month's expenditures by the Board from its General Fund budget.

Unit 9 (Professional Engineers) elected Professional Engineers in California Government. The majority of Board employees are in Units 1 and 4.

In April 1981, the Board of Equalization created a Labor Relations Office which reports to the Executive Secretary. This office provides central coordination and assistance to the Board Members, Executive Secretary, and management staff on labor relations subjects. The Labor Relations Office also acts as liaison and represents the Board on labor relations matters among the Board, employee unions, and the State Department of Personnel Administration, which is responsible for administering the State Employer-Employee Relations Act.

Negotiations of the state's first labor agreements began in August 1981. Negotiations continued until June 1982 when the Department of Personnel Administration and the employee unions were able to reach tentative agreement on all provisions of the labor agreements. These tentative agreements were ratified by the Legislative in late June 1982 and by the membership of the employee unions in July 1982. The Legislature also approved a "management package" of benefits for managerial, supervisory and confidential employees who are not covered by the negotiated agreements for represented employees.

With the state's first labor agreements in place, the Labor Relations Officer provided formal contract administration training to the Board's approximately 400 managers, supervisors, and confidential employees. The training provided the Board's management team with the basic information necessary to interpret and uniformly administer the provisions of the labor agreements.

Legislation effective January 1, 1983 amended the State Employer-Employee Relations Act to permit the deduction of a "fair share fee" from the salary of represented employees who had not joined and financially supported their recognized employee organization. The legislation states, "The fair share fee shall be used to defray the costs incurred by the recognized employee organization in fulfilling its duty to represent employees in their employment relations with the state." The state and CSEA quickly reached a bargaining agreement to incorporate a fair share fee provision into all ten of the CSEA labor agreements. Beginning with the January 31, 1983 payroll, employees in CSEA bargaining units who were not members of CSEA had these fees deducted from their pay warrants. A court challenge was filed regarding the validity of fair share fees but at the end of the fiscal year, the superior court had not yet rendered a decision.

The labor agreements with CSEA and the Association of California State Attorneys and Hearing Officers are two-year contracts which expire on June 30, 1984, but these multi-year agreements contain 1983 "reopener" clauses for certain economic and noneconomic items. Negotiations on reopener items started in March 1983 when the unions presented their meet and confer proposals for the 1983–84 fiscal year.

At headquarters, Materials and Stores Supervisor Mike Schwander and Seasonal Clerk Connie Taylor load a forklift with a delivery of tax return forms.

Despite intensive negotiations centering around salary and benefits, only five unions representing nearly 20,000 employees reached 1983 reopener agreements with the state. The remaining six unions, including CSEA which represents employees in ten bargaining units, were not able to reach agreement. Mediation was unsuccessful in resolving the differences and the 1983–84 fiscal year began with most rank-and-file employees covered by the terms of the original labor agreement.

The 1983–84 Budget Act contained funding for a limited economic package for state managers, supervisors and other employees excluded from collective bargaining. This economic package was implemented with a July 1, 1983, effective date.

Employee Assistance Program

In March 1982, Governor Edmund G. Brown, Jr., issued an Executive Order mandating an Employee Assistance Program for California state employees. In addition, the state's 1982–83 collective bargaining agreements included employee assistance provisions in 14 of the 20 bargaining units, representing 70 percent of the state's employees. Statewide coordination of the program was assigned to the Department of Personnel Administration.

The Employee Assistance Program is designed to assist employees' voluntary efforts to resolve problems of alcoholism, drug abuse, or stresses brought about by physical, mental, marital, family, financial, or other concerns which impair job performance. Participation in the program is purely voluntary and

strictly confidential. The overall goal of the program is to increase the efficiency and productivity of state operations by improving the job performance of individual employees with treatable problems.

In July 1982, an interim coordinator was designated by the Executive Secretary as a part of his office and in March 1983, the Board approved an implementation plan to create a permanent Employee Assistance Program office, reporting to the chief of the Personnel Management Division. A permanent coordinator reported to work in August 1983.

The major function of the Board's Employee Assistance Program office is the assessment of an employee's problem, referral for treatment, and followup; the office does not diagnose or counsel employees. The office is also responsible for training supervisors and managers in utilizing the program to deal with employees' job performance difficulties, for gathering information about community resources for Board employees throughout the state, and for monitoring and evaluating the Board's program.

Office Assistant Mike Halterman brings a second load of morning mail to the headquarters Mail Processing Unit.

Office Assistant Mike Oka uses a mail opening machine to prepare incoming Sales Tax returns for processing by the Cashier Unit.

Merit Award Program

The Board of Equalization fully supports the State Merit Award Program whereby employees may submit suggestions to improve state operations and earn cash awards.

The Board adopted 24 of the 148 Merit Award suggestions submitted during 1982–83 and several outstanding suggestions received initial or supplemental awards during the fiscal year.

An employee suggestion to establish a procedure for verifying the out-of-state resident status claimed by purchasers of aircraft in California brought the state an additional $300,000 in sales and use tax revenue during its first year of operation.

A supplemental award was presented to a group of seven employees who had developed a special procedure for the early deposit of large checks drawn on out-of-state banks. By reducing "float time," this Merit Award suggestion has been earning the state an additional $150,000 interest per year.

Two other suggestions have resulted in additional tax recoveries of approximately $40,000 per year each. One suggestion proposed a method for locating unregistered out-of-state contractors who operate in California without paying sales or use taxes. The other suggestion proposed a system to offset the liquor license refunds of persons with delinquent tax liabilities. This suggestion was adopted by the Franchise Tax Board as well as the Board of Equalization.

Tax Information

The Board conducts a tax information program to encourage proper compliance with tax laws and to keep the public informed about tax matters which affect them.

More than 770,000 businesses registered with the Board receive a Tax Information Bulletin quarterly with their tax returns. The Bulletin alerts these taxpayers to upcoming changes in tax laws or regulations and describes how those changes may affect their business operations or tax reporting requirements. The Board also maintains an extensive mailing list through which it notifies interested members of the public of proposals to adopt, amend, or repeal Board rules and regulations.

The Board publishes a series of "Tax Tip" pamphlets which explain in nontechnical language the application and reporting of sales tax law to more than 40 types of business. The pamphlets are available free of charge in Board field offices. More recent additions to this series include "Tax Tips" for hospitals, manufactured housing, and the leasing industry.

In 1982–83 the first in a series of information pamphlets on property tax laws was launched with the publication of "Church Exemptions."

Another series of free publications reprints portions of the California Revenue and Taxation Code dealing with specific tax laws. New tax law pamphlets published in 1982–83 include "Local Motor Vehicle Fuel Tax Law" and "Hazardous Waste Tax Law." Complete annotated copies of business and property tax laws, including the Board's regulations governing their application, are available to the public at cost.

Composer Technician Lorraine "Polly" Heminger prepares the layout of a revised Board form in the Forms Management Unit.

Office Technician Lucille Sullivan of the Research and Statistics Division tabulates figures for the quarterly report, "Taxable Sales in California."

Publications of general interest include the quarterly "Taxable Sales in California," which summarizes by location and type of business the amount of transactions subject to sales tax, and "Appeals Procedures," which instructs taxpayers how to obtain administrative review of tax assessments made by county assessors, the Franchise Tax Board, and the Board of Equalization. (Board publications are listed in the appendix, page A-44.)

Newspapers, radio and television stations, and trade publications receive Board news releases prepared by the Tax Information Office on topics of general public interest. News releases describe important changes in tax laws or regulations and disseminate information derived from Board administered tax programs, such as monthly gasoline usage, quarterly taxable sales activity, and allocations of local sales tax revenues. They also report Board actions and policy decisions, such as the Board's annual valuation of privately owned public utility properties or the extension of tax filing deadlines for areas hit by natural disasters. News releases also provide notice of Board meeting dates and agendas.

The Tax Information Office provides prompt responses to a variety of inquiries from the public, press, Legislature, and various government agencies. Publication of this constitutionally mandated Annual Report to the Governor is a project of the Tax Information Office.

IV. PROPERTY TAXES

The State Board of Equalization has had property taxation responsibilities in California since 1870 when it was created by legislative measure to oversee county administration of the property tax. As originally conceived, the State Controller and two Members appointed by the Governor would equalize property tax assessments in order to insure that the valuation of property was equal and uniform among the 52 counties then in existence. The first ten years of issuing equalization orders to the counties was a frustrating time for this young body, a period characterized by local resistance, judicial reversals, and legislative indecision.

The Board's authority was strengthened in 1879 when it received a constitutional mandate to perform its role. Article XIII, Sections 9 and 10 (now 18 and 19) of California's Constitution directs the Board to oversee the administration of local property tax and assess the property of railroads which cross county lines. One hundred four years later, the Board is still performing these functions, although the scope and responsibilities have increased significantly through the years.

The Board's level of involvement in property tax declined between 1911–33 following the adoption of a constitutional amendment which relinquished the general property tax as the state's major source of revenue, designating property taxes for local government funding only. To replace its lost property tax revenues, the state enacted a gross receipts tax on utilities and railroads to be administered by the Board, plus several other forms of revenue.

The Great Depression of the 1930s triggered a major reorganization of the state's tax structure in an effort to stave off the economic crises besetting so many other state and local governments. State Controller Ray Riley and Second Equalization District Member Fred Stewart proposed a plan to return the assessment of public utilities to the Board. Adopted in June 1933 as a constitutional amendment, the Riley-Stewart Plan assigned to the Board the basic property tax responsibilities which it carries out today. The Board was charged with monitoring county assessors' administration of the local property tax, assessing railroads and public utilities for local property taxation, and assisting and advising county assessors, the Legislature, and other interested parties.

In 1937, the Board's responsibilities for the property tax were further increased with the enactment of the Private Car Tax, the only state property tax. This levy, collected by the Board, is an ad valorem tax on privately owned railroad cars. Revenues from the Private Car Tax are deposited in the state general fund.

By the mid-1940s, the state's general fund was playing an important role in funding the state's public education systems and numerous social services on a shared basis with the local property tax. The disbursement of state aid to school districts was based on the relative wealth of each county, which in turn was measured by the assessed values of property in the county. This situation increased the need for full equalization of assessment levels among the counties. Therefore, in 1949, the Legislature appropriated funds for an intercounty equalization program to enable the Board to measure the average level of assessments in each county and to maintain equity among those levels.

The Legislature directed the Board to complete annual studies to measure assessment levels in the 58 counties, the first of which was completed in 1955. As the years passed, the studies became increasingly useful as indicators of local government's ability to share the costs of education and social services with the state.

When scandals rocked county assessors' offices in the mid-1960s, legislative reaction found expression in the Property Tax Assessment Reform Law of 1966. This comprehensive legislation greatly increased the Board of Equalization's property tax responsibilities. It required the Board to certify and train county appraisers, develop a set of property tax rules and handbooks to guide county assessors, and conduct periodic in-depth studies of county assessment practices to ensure uniformity among the 58 counties.

In 1976, the Board acquired another property tax responsibility with the passage of the Timber Yield Tax Act, a severance tax based on the value of cut timber at the time and location of harvest. Prior to its enactment, standing timber had been subject to ad valorem taxation and assessment on county tax rolls.

A major change in property tax law came in June 1978 when the voters approved Proposition 13 to provide tax relief to property owners. Although Proposition 13 (enacted as Article XIIIA of the State Constitution) provided prompt property tax reductions, the initiative itself posed many administrative problems because of its vague and ambiguous wording. Further legislation, court decisions, and Board of Equalization rules were required to clarify its provisions and application.

Subsequent constitutional amendments related to issues raised by Proposition 13 have created additional challenges for the Board. Proposition 8, adopted in November 1978, modified Article XIIIA to allow reductions in assessed values of real property when there was a decline in the market value of the property. Proposition 3, approved on the June 1982 ballot,

excluded certain acquisitions of real property from change in ownership. These successive modifications of Article XIIIA demonstrate that property taxation is an evolving institution of ever-increasing complexity.

Advice to County Assessors and Others

During fiscal year 1982–83, over 200 advisory letters were sent to the 58 county assessors and others interested in the property tax. Letters dealt with the assessment of timeshare properties, small hydroelectric projects, mobilehomes, changes in ownership, FHA Section 236 apartment projects, the assessor's right to change assessed values, Proposition 3 and its effects on change in ownership, the *Barrett and Armstrong* decision, and many other matters. In the superior court case involving Barrett and Armstrong, the court ruled that Proposition 13 did not allow assessors to include inflationary adjustments for years prior to 1978 in computing assessed values of real property for the 1978–79 fiscal year. The Court of Appeal (146 Cal.App.3d 597) reversed that decision, holding that the constitutional provisions at issue were intrinsically ambiguous and uncertain with respect to when the application factor could commence, and that the effects of the legislative interpretation were not manifestly inimical to the constitutional design. Thus, the court held that the statutes and regulation at issue were not opposed to the Proposition 13 inflation factor provision and represented a valid exercise of legislative power. That decision has been appealed to the State Supreme Court.

Preparing individual replies to inquiries posed by legislators, taxpayers, and local officials consumed a large portion of time. Over 2,200 individual pieces of correspondence were issued during 1982–83.

The Board staff drafted amendments to 24 property tax rules which were subsequently adopted by the Board. These rules, which have the force of administrative law, establish uniform procedures for county assessors to follow. A total of 23 property tax rules on intercounty equalization procedures were repealed as obsolete during 1982–83.

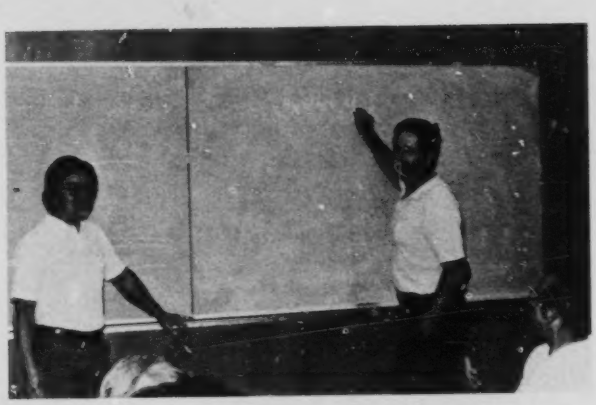
Special topics surveys, dealing with single issues of immediate concern to the Legislature, county assessors, and the Board are authorized by Section 15640 of the Government Code. They are prepared and released as needed. In 1982, a survey was conducted on new construction assessment policies among county assessors. The results, augmented with Board positionson these issues, were released in the fall of 1982. Questionnaires also were sent to the counties for another special topic survey dealing with change in ownership. Questionnaires were designed for upcoming surveys on the topics of possessory interests, mandatory audits and mobilehomes. The Board is also planning surveys on local assessment appeals boards and the assessment of mineral properties.

As part of its program to provide guidance to county assessors in all areas of property tax appraisal, the Board publishes a series of manuals, collectively termed the Assessors Handbook. New legislation and constitutional amendments can quickly render an existing edition of a manual obsolete. To keep the Handbook series current, the Board staff during 1982–83 revised manuals dealing with aircraft market values, assessors' mapping procedures, and assessment roll procedures, and is preparing a revision to cash equivalency analysis. In addition, a new handbook section, dealing with the income approach to valuation, was drafted. The residential, commercial, and industrial replacement cost factors, which are part of the Assessors Handbook, were reviewed. Field research into current construction costs was completed as a part of an update of these factors.

The Board also publishes a series of "Tax Tip" pamphlets on a broad range of tax topics. Pamphlet Number 29, *Property Tax Facts for Policy Makers,* was completely redrafted during fiscal year 1982–83; and a new pamphlet, Number 48, entitled *Church and Religious Exemptions,* was published.

Property Appraiser Louis Chapman refers to a Board manual on assessment roll procedures. As part of its program to guide county assessors, the Board publishes a series of manuals, collectively termed the "Assessors' Handbook."

Property Appraiser Rita Odom of the Assessment Standards Division photographs a building as part of her sample property appraisal. The results of the Board's independent appraisals will be compared with those of the county assessor in order to evaluate local assessment practices.



Property Appraisers Ron Hayashi (left) and Bob Reinhard teach a course, "The Appraisal of Income-Producing Properties," to county assessor staff in Stockton.

Appraiser Training

Sections 670 through 673 of the Revenue and Taxation Code require the Board to certify the competence and training of appraisers employed in county assessors' offices throughout California. Certification at the minimum level set by law is accomplished through the administration of an examination. During 1982–83, 66 appraisers received temporary certification, while 66 were permanently certified. Advanced certification, which can be achieved either through examination or successful completion of specified educational programs, was attained by 86 appraisers.

The Board offers formal training courses and workshops for county personnel in order to maintain professional standards of property tax administration. During 1982–83, a total of 692 students attended 32 sessions of 13 different appraisal courses on such subjects as the residential unit, equipment and inventory, trees and vines, appraisal mathematics, possessory interests, the income approach to value, and mines and quarries.

Special workshops, which are used by the Board to keep county personnel informed of recent changes in property tax law, played a less significant role in the training process during 1982–83. This reduced need for workshops can be partially attributed to the cumulative educational effects of previous years' workshop sessions.

Assessment Practices Surveys

The Board of Equalization is required by Government Code Sections 15640 through 15646 to make surveys of each county to determine whether the county assessor's practices and procedures for valuing property for taxation purposes are consistent with state laws, regulations, and professional standards. It also requires that the survey include a sampling of local roll assessments broad enough to be representative of all classes of property in each county.

The surveys must be conducted in every county at least once every five years, and special topic surveys may be conducted whenever the Board determines that they are needed.

Assessment practices surveys conducted by the Board are designed to increase the effectiveness of property tax administration by county assessors. The full collection of property taxes at legally required levels not only benefits local government, but results in savings for the state's general fund which is required to make up any shortfall in school funding by local property taxes. A statewide average of 40 cents out of each property tax dollar is allocated for the support of schools; state general fund revenues supplement this amount to bring funding to legally mandated levels. Therefore, every additional dollar of property tax revenue discovered through an assessment practices survey saves the state 40 cents in supplemental school appropriations.

The current emphasis of assessment practices surveys is compliance with the provisions of Constitutional Article XIIIA (Proposition 13), other constitutional and statutory laws, Board property tax rules, and recent court decisions. Additional emphasis has been placed on assessors' management systems. The reports address only areas where revenue issues are identified, concentrating specifically on the fiscal effects of assessment practices.

In the Board's Property Taxes Department, Technician Carol Meyer uses word processing equipment to speed the production of Assessors' Handbook revisions, assessment practices surveys, and other publications.

Although cyclical reappraisal is not permitted for most properties under Proposition 13, the use of proper appraisal techniques remains essential to county assessors' operations. Certain properties are still subject to periodic reappraisal and these receive separate treatment in the assessment practices surveys. Appraisals are also required in the case of new construction and change of ownership of a property, two conditions which occur with a frequency which has increased the value of most county property tax rolls each year since the passage of Proposition 13.

The data used in the preparation of an assessment practices survey is gathered through a comprehensive review of the county assessor's office operations and through an evaluation of sample property appraisals.

The survey team which reviews the assessor's office operations includes a real property appraiser, an auditor-appraiser, an exemptions specialist, a management analyst, and a mineral property specialist. This team reviews county appraisal records and interviews key personnel in an effort to evaluate the effectiveness of the assessor's operation.

Through the appraisal sampling program, the Board's staff collects data on the assessor's operations by independently appraising sample properties in a county and comparing the results with those of the assessor. Differences are analyzed and limits of tolerance established. The appraisal samples are randomly selected from five categories of taxable properties: (1) Properties which must be assessed at their 1975 base year value according to the provisions of Article XIIIA (Proposition 13). (2) Properties which have changed ownership on or after the March 1, 1975 lien date and were therefore subject to reappraisal at the time of transfer. (3) Properties having new construction, such as the addition of a room or swimming pool to a residence. In these cases only the newly constructed portion is appraised at current market value and the assessed value of the total property is adjusted accordingly. (4) Secured roll assessments not subject to the 1975 rollback provisions of Article XIIIA, such as open-space (Williamson Act) lands, timberlands, taxable government property, nonprofit golf

TABLE A

GENERAL PROPERTY TAX: ASSESSED VALUE OF TANGIBLE PROPERTY, TANGIBLE PROPERTY TAX LEVIES, AND AVERAGE TANGIBLE PROPERTY TAX RATES, 1973–74 TO 1983–84

Fiscal Year	Assessed Values[a]				Property Tax levies[b]		Average Property Tax Rate (in percent)		Property Tax Relief[c]
	Gross (000 omitted)	Annual Change As %	Net Taxable[f] (000 omitted)	Annual Change As %	Amount (000 omitted)	Annual Change As %	Nominal[d]	Effective[e]	Amount (000 omitted)
1973–74	69,115,976	6.7	59,616,596	0	6,647,769	-2.5	11.15	2.66	1,049,055
1974–75	76,275,719	10.0	65,693,398	10.2	7,383,411	11.0	11.24	2.73	1,167,985
1975–76	84,879,753	11.3	73,242,825	11.5	8,304,125	12.5	11.33	2.80	1,306,206
1976–77	96,104,750	13.2	83,687,264	14.3	9,376,391	12.9	11.20	2.81	1,344,981
1977–78	109,390,134	13.8	96,263,695	15.0	10,276,725	9.6	10.68	2.47	1,425,570
1978–79	119,542,405	9.3	105,547,349	9.6	5,035,896	-52.2	4.79	n.a.	786,858
1979–80	135,715,402	13.5	120,766,684	14.4	5,661,081	12.4	4.69	n.a.	988,916
1980–81	147,923,741	9.0	137,570,471	13.9	6,360,276	12.4	4.63	n.a.	1,337,588
1981–82	672,280,561[g]	13.6[g]	628,589,188[g]	14.2[g]	7,185,005	13.0	1.144[g]	n.a.	1,314,372
1982–83	752,571,724	11.9	707,690,851	12.6	8,007,037	11.4	1.131	n.a.	1,347,377
1983–84	814,164,230	8.2	767,806,601	8.5	n.a.	n.a.	n.a.	n.a.	n.a.

[a] Includes locally taxable state-assessed property, but excludes the railroad rolling stock of companies other than railroads, which is subject to a state property tax in lieu of local taxes. Gross values include all exempt values for which exemption claims are required (except cemeteries) and the exempt value of business inventories prior to 1980–81 when such property became totally exempt (see footnote); net taxable values exclude these exemptions. For further detail, see Appendix Tables 4–17B.

[b] Excludes ad valorem special assessments through 1977–78, but includes them beginning in 1978–79 following Proposition 13. Property tax relief payments by the state to local governments, sometimes viewed as state payments of property taxes, are also excluded.

[c] Includes state payments to local governments for all reimbursable exemptions, plus senior citizens' property tax assistance. During 1982–83 the state allocated the following amounts to local governments to cover these: homeowners, $333,954,961; business inventories, $516,539,094; renters, $422,170,271; senior citizens total, $53,036,112 (property tax assistance, $11,090,944, and renters tax relief, $41,945,168); open-space lands, $13,474,948; and other, $8,201,461. These amounts total $1,347,376,847.

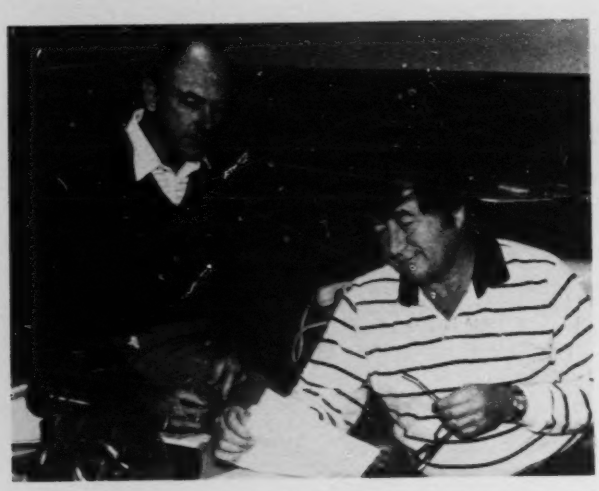
[d] Property tax levies divided by assessed values representing varying percentages of market value.

[e] Property tax levies divided by the estimated market value of net taxable properties. Beginning with 1978–79 an effective tax rate can no longer be calculated, since assessed values are not based on market values.

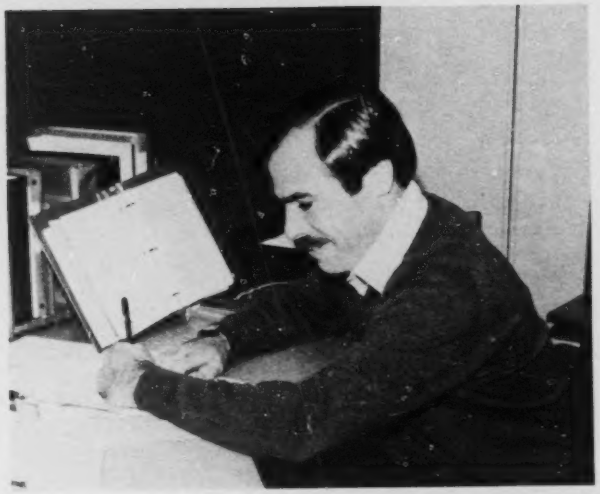
[f] The growth in net taxable valuation was sharply reduced by the homeowners' exemption ($750 of assessed value from 1969–70 to 1972–73 and $1,750 beginning in 1973–74), and the business inventory exemption (15% of assessed value in 1969–70; 30% during 1970–71 to 1972–73; 45% in 1973–74; 50% from 1974–75 to 1979–80; and 100% beginning in 1980–81). For 1983–84, the homeowners' exemption accounted for $29,563,873,000 of assessed value.

[g] The ratio of assessed value to taxable value was changed to 100 percent (from 25 percent) beginning with the lien date of 1981–82. The percent change was computed after factoring the 1980–81 valuations to 100 percent of value.

n.a. Not Available.



Property Appraiser Tom McClaskey (left) and Property Auditor-Appraiser Bill Cecil discuss the draft of an Assessment Practices Survey of the Mendocino County Assessor's operation.



Property Appraiser Pete Gaffney drafts a Letter to Assessors concerning the effect which land use restrictions have on the taxable value of property.

courses and restricted historical properties. (5) Assessments on the unsecured roll, such as business equipment or fixtures.

The appraisal sampling program was significantly changed with the formal merger of the Local Property Tax Monitoring Division with the Assessment Standards Division on July 1, 1982. The sampling program no longer leads to a determination of a county-wide assessment ratio as it did in the past, but it focuses instead on the assessor's compliance with property tax law.

Using the data gathered from its review of the assessor's office operations and the analysis of appraisal samples, the Board staff prepares an assessment practices survey report. The survey will not only recommend changes where needed in the county's assessment program; it will also call attention to worthy innovations in programs or procedures.

The Board transmits a draft of the survey report to the county assessor who then has 90 days to prepare a written response to the Board's findings and recommendations. Those responses will be included in the final assessment practices survey report.

The law requires that this report be distributed to the Governor, the Senate and Assembly, the Attorney General, the county assessor, the county board of supervisors, the county grand jury, and county assessment appeals boards. The reports are also sent to other county assessors upon request. Within one year of receiving the survey report, the assessor must file a written statement with the county board of supervisors indicating whether the assessor intends to implement or how he has already implemented the Board's recommendations.

During the 1982–83 fiscal year, appraisal sampling was conducted in the counties of Fresno, Los Angeles, Mendocino, Merced, Napa, Placer, Siskiyou, Sutter, Ventura, Yolo, and Yuba. Surveys of assessors' office operations were completed for the counties of Contra Costa, El Dorado, Fresno, Glenn, Humboldt, Kings, Mendocino, Orange, San Bernardino, San Luis Obispo, Siskiyou, and Solano. Drafts of survey reports were readied for printing for the counties of Alpine, Imperial, Mono, San Francisco, Stanislaus, and Trinity. Completed assessment practices survey reports were published for the counties of Riverside and Santa Clara.

Legal Entity Ownership Program

Current law requires county assessors to appraise real property when it undergoes new construction or a change in ownership. The assessor can discover most changes in ownership by reviewing deeds recorded in the county recorder's office. However, changes in control of partnerships, corporations and other legal entities are usually accomplished through stock purchases or other transactions that are not subject to recordation. The assessor's job of discovery then becomes more difficult. Because legal entities frequently have extensive real estate holdings, it is particularly important that such changes in ownership be discovered promptly, so that all real property transferred will be reappraised for the current tax roll. Even one missed transfer can cause sizable losses of tax revenue to several counties.

In an effort to help county assessors discover changes in ownership of legal entities, the Board has developed the Legal Entity Ownership Program. The legislative mandates that created this program were Assembly Bill 2777, Chapter 1349 of the Statutes of 1980, and Assembly Bill 152, Chapter 1141 of the Statutes of 1981. These measures require the Franchise Tax Board to include on income tax returns

sent to legal entities questions aimed at determining if changes in ownership have occurred. The Franchise Tax Board, in turn, notifies the Board of Equalization of possible changes in ownership. If the Board determines after further inquiry that legal entities owning real property in California have changed ownership, it notifies assessors of counties where the property is located. The Board must also recommend the imposition or abatement of the penalties prescribed by the Revenue and Taxation Code for failure to file a change in ownership statement upon written request by the Board.

This new program has increased the number of reappraisals made due to changes in ownership. Since real estate values have generally appreciated in recent years, reappraisals at current market value, as prescribed by law, have increased property tax revenues. The state benefits directly from these reappraisals, since increases in local revenue collection result in decreases in state subventions from the general fund for K–12 schools and community colleges.

During fiscal year 1982–83, over 30,372 initial inquiries were sent to legal entities by the Board. Further screening revealed that more than 3,048 parcels of real property, owned by over 274 different legal entities, had changed ownership. It is unlikely that these transfers would have been detected through local discovery mechanisms.

Contract Audit Program

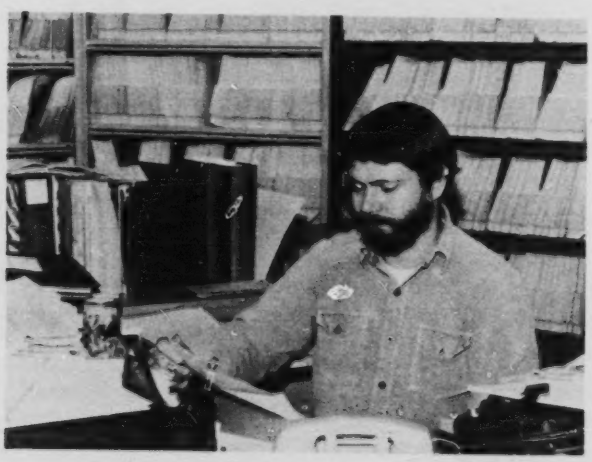
County assessors are required by law to audit once every four years the records of every taxpayer who owns business property located within that county having an aggregate value of $200,000 or more. Many such taxpayers maintain accounting records out of state, and may have property in more than one county in California. It would not be cost effective for each county to send staff to out-of-state locations to audit only the portion of the taxpayer's business records affecting that county. Therefore, several counties have formed audit cooperatives to handle such audits both within California and out of state.

The Board offers the counties a similar contract audit program. Since the Board maintains permanently staffed offices in Chicago, New York, and Houston, it can offer savings in travel expenses to the counties. During 1982–83, 14 counties contracted with the Board for out-of-state audits. Since the beginning of this program in 1966, over 5,000 highly cost effective audits have been performed for 52 counties.

Property Tax Exemptions

The basic tenet of property taxation in California is that all property is taxable unless specifically exempted by federal or state laws. There are a myriad of exemptions and restricted assessments allowed by the California Constitution and Revenue and Taxation Code.

Exemptions are available for many different categories of property. Some exemptions do not require the filing of an application; they are automatic. In total, the State Constitution lists more than 40 different exemptions which do not require the filing of a claim form. Examples are publicly owned property, growing crops, business inventories, and household furnishings and personal effects. Other exemptions, based on a combination of ownership and use, require the filing of an exemption claim form. The disabled veterans', cemetery, and college exemp-



Program Technician Andrew Anderson of the Assessment Standards Division reviews letters of inquiry to corporations which have undergone a change of ownership. Through its Legal Entity Ownership Program, the Board helps County Assessors discover changes of ownership which require reappraisal of local property holdings.

Property Appraiser Ron Saario of the Orange County Assessment Standards field office prepares an appraisal report on selected business properties. The data collected in the Board's sample surveys will be incorporated into Assessment Practices Surveys.

tions fall into this category. The filing can be one-time or a recurring annual requirement; for instance, the homeowners' exemption claim must be filed by a qualified owner-occupant only in the first year of eligibility, and is automatically renewed each year thereafter unless the assessor is notified by the owner that he is no longer eligible for the exemption. The welfare exemption, by contrast, requires timely annual filing of an affidavit of eligibility.

In most cases, publicly owned property is completely exempt from property taxation. However, when a local government acquires taxable real property located outside its boundaries, such property will continue to be taxable, although there are constitutional restrictions on its assessed value. Most private rights in publicly owned property are not exempt from taxation, but are instead subject to assessment as taxable possessory interests.

Some exemptions are for fixed dollar amounts, such as the homeowners' exemption which exempts $7,000 in assessed value. Others are fixed percentage exemptions, as in the case of the 4 percent limit on the assessment of certain documented commercial fishing vessels. In some instances, such as newly planted orchards and vineyards, there is a total exemption for a limited number of years, after which the property is fully taxable.

Exemptions are granted for personal property as well as for real property. Personal property such as certain documented vessels, certificated aircraft, and business inventories receive partial or complete exemption from property taxation in California.

Properties beyond the scope of Article XIIIA are subject to other constitutional provisions that effectively reduce their taxable values. These special restrictions amount to partial exemptions from taxation. Properties in this category include timberlands, agricultural preserve (Williamson Act) lands, and restricted historical properties.

The welfare exemption is granted to property owned by nonprofit organizations engaged in religious, hospital-related, scientific or charitable activities. Unlike other property tax exemptions which are handled exclusively at the local level, this exemption is co-administered by the counties and the Board. Each claimant must file annually for the welfare exemption. The Board reviews each claim and directs that the counties either grant or deny the exemption. During 1982–83, the Board's staff reviewed 8,154 welfare claims involving 11,600 properties, of which 10,900 were found to qualify for the welfare exemption.

Although exemptions are the result of state legislation, their impact is primarily felt at the local level in the form of reduced revenues. To offset all or part of the revenue loss due to these special restricted assessments and exemptions, the state pays subventions to local governments for open-space (Williamson Act) assessments, homeowners' exemptions and business inventory exemptions.

Floyd Eckersly, Property Auditor-Appraiser in the Valuation Division, prepares findings from his audit of a major electrical utility company.

State-Assessed Properties

The State Constitution, Article XIII, Section 19, requires the Board of Equalization to assess annually the following classes of property:

(1) pipelines, flumes, canals, ditches, and aqueducts lying within two or more counties;
(2) property, except franchises, owned or used by regulated railway, telegraph, or telephone companies, or railroad car companies whose cars are used on railways within the state;
(3) property owned by companies transmitting or selling gas or electricity within the state.

Since the Board began assessing utility properties in 1935, the assessment roll has grown from a total market value of $890 million in 1935 to $47.2 billion in 1983. Local property taxes based on the Board's 1982–83 utility assessments totaled $486,037,000. This amount includes approximately $9,572,000 being held in trust by the U.S. District Court of Northern California pending resolution of litigation between the Board and railroad companies.

State-assessed property is classified as either "unitary" or "nonunitary." Unitary property is that which is owned by an assessee and used in the company's primary utility or railroad operation. Nonunitary property is that owned by an assessee but not used or needed for its primary operation. Also classified as "nonunitary" is property used in a company's primary operation but not actually owned by the assessee. Nonunitary properties owned by assessees are put to varied uses such as grazing, farming, commercial and industrial enterprises.

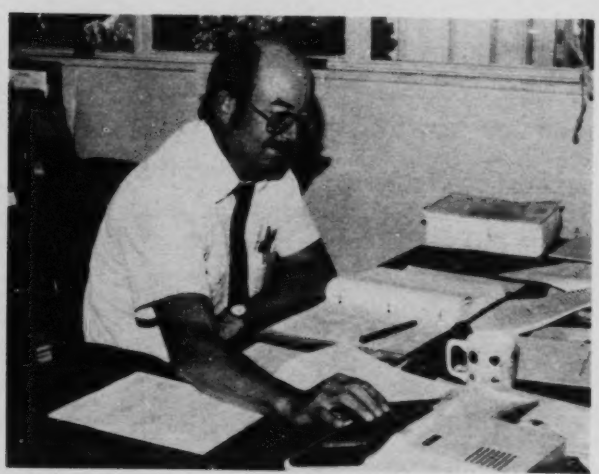
The Board's Valuation Division field appraisal staff reviews the values of state-assessed properties in the

58 counties on a three-year cycle. Staff appraisers revalue both unitary and nonunitary lands at current market value. These unitary land values are one of the factors used to allocate the final unitary value of the utility companies to the various taxing jurisdictions in which the companies operate. The Board's market value appraisals of individual nonunitary properties are directly enrolled.

Annually, the Board's staff prepares a series of value indicators for the unitary property of each state assessee and presents them to the Board. These indicators are historical cost less depreciation, reproduction cost less depreciation, capitalized earning ability, and market value of stock and debt. When it is available the staff also provides to the Board a market value indicator based on an analysis of sales (asset acquisitions, stock acquisitions and mergers) of comparable railroads and utilities. The Board reviews the data provided and determines the total value of the unitary property owned by each assessee.

Each of the 58 counties receives the Board roll of state-assessed property in August and adds its portion to the local property tax rolls. The county tax collectors then issue tax bills to the state assessees. When collected, the tax revenues are allocated to the cities, counties, school districts, and special districts. The state receives no part of this revenue, except indirectly through reduction of the subventions it must pay to schools.

State assessees may appeal their assessments to the Board. During 1982–83, the Board received 22 petitions for reassessment of unitary property values. Legislation effective January 1, 1982 significantly extended the appeals period. Because the appeals can be heard long after the Board roll has been adopted, adjustments in value are reflected in the following year's roll.



In the Valuation Division, Property Auditor-Appraiser Jerry Henrikson prepares an analysis of an assessment appeal by a communications company.

In the Valuation Division, Property Appraisers Marshall Garrett (right) and Ray Swarner discuss their appraisal of an electrical utility parcel. The Board's valuation of utility properties is used by county assessors to levy local property taxes.

There is currently a considerable amount of litigation in state and federal courts concerning the Board's asessments of railroad and utility unitary property. The state's five major railroads have brought suit in state courts, seeking reductions in unitary assessments. In December 1982 these same companies obtained a federal court order prohibiting county tax collectors from collecting more than 50 percent of the taxes levied on rail transportation property. They paid the remainder to the federal court, where it remains in an interest-bearing trust fund pending final disposition of their suit, which alleges that the state of California taxes railroads at a higher percentage of market value than is used for locally assessed commercial and industrial property.

Although the properties assessed by the Board are subject to the same 1 percent tax rate as those assessed by the county assessors, the Board ruled on June 14, 1978, that state-assessed property values were not limited by Proposition 13. Several state assessees have challenged this interpretation in court, but the Board's position has so far been upheld. This issue is still being litigated.

Additional litigation has arisen from the Board's December 7, 1982 decision to assume assessment responsibility for the more than 8,800 miles of pipeline rights-of-way and easements in the state. Prior to that date, the Board had followed a legal opinion that its responsibility was limited to the assessment of pipe, pumps, tanks, and other equipment and that the assessment of land was the responsibility of local assessors. The pipeline industry argues that these properties should be subject only to local assessment. In April 1983, the Western Oil and Gas Association filed a legal action to halt the Board's attempt to gather information regarding pipeline rights-of-way. This action, if successful, could delay implementation of the assessment plan until after the jurisdictional issue is resolved.

Private Railroad Car Tax

The tax on privately owned railroad cars is the only property tax that is directly levied, collected, and retained by the state. These cars are owned by companies that haul their own products, lease cars to other shippers, or provide a fleet of cars for a fee. The tax is based on the value of the cars, the length of time they remain in the state, and the average property tax rate levied on all property in the state for the preceding year. Cars owned by the railroads are not subject to the private railroad car tax since they are subject to the general property tax and are included in the unitary value of the railroads. For 1982–83, the taxes levied on private railroad cars totaled $6,523,235, including $2,442,589 being held in trust by the U.S. District Court of Northern California pending the resolution of litigation between railroad car companies and the Board.

In 1982, 32 companies filed petitions for reassessment of Private Railroad Car Tax. Several of the companies also obtained a federal court order precluding collection of more than 50 percent of the taxes pending outcome of legal action alleging that California's property tax system discriminates against rail transportation property.

Auditing Financial Records of Utility Companies

The Board conducts an audit program to verify the accuracy of income and expense data, asset and liability accounts, and reserve accounts submitted by the utility, railroad and private railroad car companies. A four-year audit schedule has been designed to encompass all state assessees within the statute of limitations. The audit program, which began in 1977, has resulted in escape assessments of approximately $1.3 billion, generating $15,058,000 in additional local property tax revenues. Since escape assessments added to the roll continue to produce revenue every year until the property is sold or retired, their discovery is very important.

Tax Rate Area Mapping Program

The basic property tax structure in California is composed of nearly 7,000 taxing jurisdictions, collectively termed revenue districts, which are authorized to collect a property tax from all taxable property within their boundaries. Counties, cities, and school districts are the principal agencies within this structure; however, its complexity is derived primarily from thousands of overlapping special districts providing a variety of local services, such as water treatment, fire fighting, irrigation, weed control, flood control, mosquito abatement, or port maintenance. To assure proper reporting of taxable property to each of these jurisdictions and the proper allocation of the assessed values of state-assessed utilities, an intricate system of tax maps is maintained by the Board of Equalization.

Machine Operator Shirley Turner prints maps prepared in the Tax Area Services Section to indicate changes to local tax area boundaries.

The boundaries of these jurisdictions overlap in every conceivable manner, forming clusters of properties served by common revenue districts each having a common tax rate. A coding system which translates this complex geographical structure is maintained by the Board's Tax Area Services Section. A six-digit tax rate area code identifies every area in which there is a unique combination of overlapping revenue districts. As of the March 1, 1983 lien date, there were 38,255 tax rate areas, an increase of 7.7 percent over the 1982 lien date.

Whenever a revenue district is created or territory is annexed to or detached from an existing district, a map, legal description and other information must be filed with the Board. The Board then plots the new boundaries on its statewide map system and assigns the appropriate tax rate area codes. Prints of the revised maps are then distributed to affected state assessees and the county assessors. During fiscal year 1982–83, the Board's staff processed 1,522 jurisdictional changes.

State assessees must report their property to the Board arranged in tax-rate area sequence. Locally assessed properties are similarly enrolled. Because both the Board roll and the local roll follow the same coding sequence, the county auditor's job of allocating property tax revenues is greatly simplified. The Bureau of the Census uses the tax rate maps to relate school district boundaries to the census tract maps. The Board's tax rate maps comprise the only statewide mapping system that shows school district boundaries.

Timber Tax Program

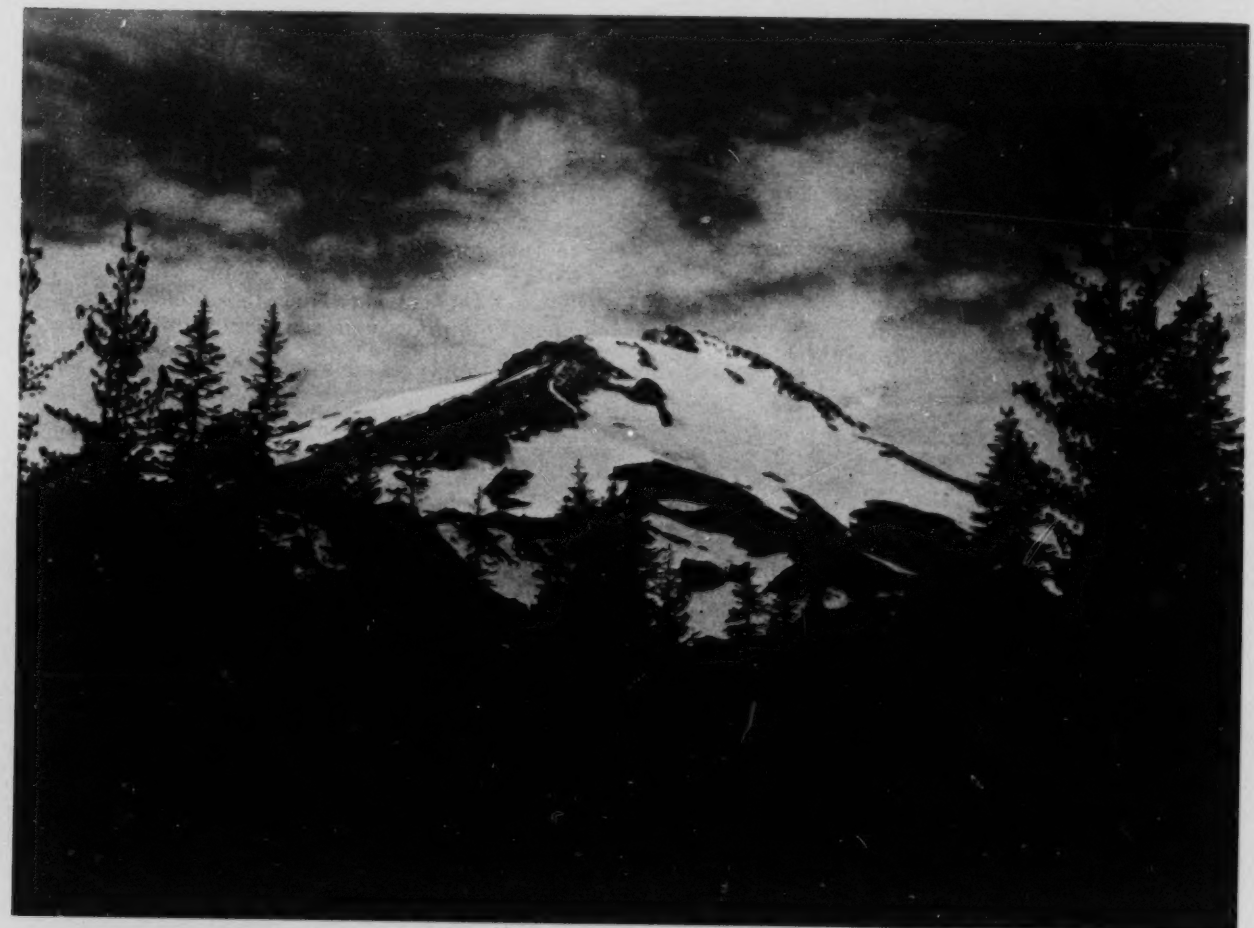
Since 1976, the Board has administered the Timber Yield Tax, which was enacted as a severance tax on harvested timber in lieu of the annual property tax on standing timber.

The Board annually adjusts the yield tax rate in December to be applied during the following calendar year. The tax rate is the previous year's tax rate adjusted to the nearest one-tenth of 1 percent in the same proportion as the change in the average general property tax rate in the 17 rate-adjustment counties specified in the Timber Yield Tax Law. The current rate is 2.9 percent.

Initially the yield tax rate was set at 6 percent, with a reserve fund tax rate of 0.5 percent, and provision was made for the annual adjustment of both rates. The yield tax rate was reduced to 3 percent in 1979 to conform to the property tax rates which were lowered by Proposition 13, enacted in 1978. The reserve fund was established to assure that the timber tax would be sufficient to meet the revenue guarantees of the participating counties. A sunset provision in the law terminated the reserve fund tax at the end of 1982.

The Board's Timber Tax Division registers timber owners, provides tax returns, compiles harvest reports, processes tax returns and tax payments, and conducts verification audits. The division also formulates proposed rules and regulations for approval by the elected Board members. Staff personnel make field examinations and analyses of timber and log sales to be used in the preparation of semiannual timber value schedules which, upon Board approval, become the official values to be used in calculating the tax. The staff also reviews harvest operations for tax compliance purposes and sales of timberland to establish values for land zoned for timberland production (TPZ).

The Timber Yield Tax Act directs the Board to appoint a Timber Advisory Committee. It includes a member of the State Board of Equalization, pres-



The Board administers the Timber Yield Tax which was enacted in 1976 as a severance tax on harvested timber in lieu of the annual property tax on standing timber. Approximately 2,000 timber owners are registered with the Board. These owners harvested $285 million in timber in 1982–83 and paid a total tax of $24.3 million.

ently the Honorable William M. Bennett, whose district encompasses the timber producing counties, a representative of the Board of Forestry, the assessors from Del Norte, Humboldt, Mendocino, Siskiyou, and Tehama counties, and one representative each for large-scale and small-scale timber owners. Currently, the large-scale representative is the resource manager for Diamond International Corporation in Red Bluff, and the small-scale representative is a member of the Forest Landowners of California. Mr. Bennett serves as chairman of the committee.

After consultation with the Timber Advisory Committee, the Board adopts the harvest value schedules no later than June 30 and December 31 each year. These harvest value schedules vary for different areas of the state. Registered timber owners must use these schedules to compute the value of their harvested timber and the amount of tax payable to the Board.

Timber owners are required to file quarterly tax returns and harvest reports with the Board. The Board maintains approximately 2,000 active accounts with new registrations and close-outs averaging 100 each per month. Total tax collected on timber harvested during fiscal year 1982–83 amounted to $24.3 million, based on a total timber harvest value of $285 million.

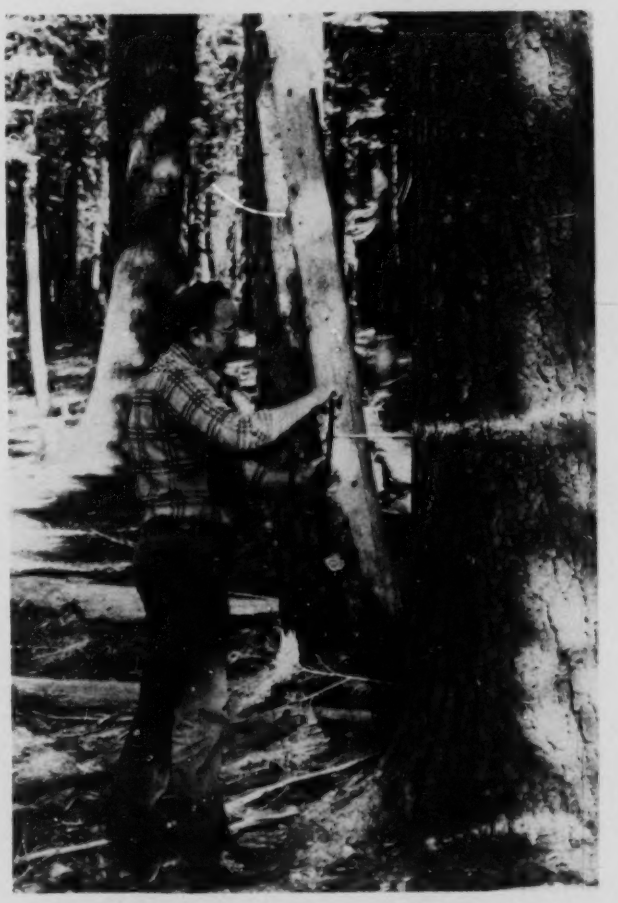
Revenues are distributed by the State Controller to counties that assessed timber from 1972 to 1974. Each of these counties receives a guaranteed amount that represents the average annual property tax collected on timber during that three-year period. If total revenues exceed this guarantee after costs, the surplus is distributed to all timber counties in proportion to where the taxes were collected. This distribution is based on harvest data compiled by the Board. The yield tax revenue guarantee is distributed semiannually—50 percent on November 30 and 50 percent on May 31. If there is any surplus, it is distributed annually on August 1.

To date, there have been 12 timber tax revenue guarantee distributions to the counties totaling $145 million. The value of the timber harvested to produce this tax was approximately $3.2 billion. An additional revenue distribution of $11.6 millon from the surplus reserve account was made on August 1, 1979. The May 31, 1983 revenue guarantee distribution was about 60 percent short because of a major decline in the harvest values coupled with a low harvest due to a reduction in the lumber demands of the construction industry.

Assembly Bill 3296, signed into law during September 1982, will revise the method of distributing yield tax revenues to counties beginning in fiscal year 1983–84, when 50 percent of the revenue will be based on the revenue guarantee formula and 50 percent based on the county where the yield tax revenue was obtained. During 1984–85 and thereafter, revenue distribution will be based entirely on the county where the yield tax revenue was obtained. Within the county, the funds will be allocated among the taxing jurisdictions, based on each jurisdiction's minimum revenue guarantee amount determined from the 1972 through 1974 data.

Land used for growing timber and designated as timberland has been placed in Timberland Production Zones (TPZ). These lands (excluding their standing timber) are subject to county assessment and are valued according to the procedure prescribed in the law. A land owner whose land has not been included in TPZ can petition local government for inclusion. Approximately 5.6 million acres are zoned as Timberland Production Zone.

The staff reviews timberland sales to establish land values that, following Board approval, become the basis for the valuation by county assessors of timberland located in Timberland Production Zone for the succeeding three years. The staff also formulates proposed rules and regulations for Board approval.



Forest Property Appraiser Neil Beckett takes a core sample to determine the age of timber scheduled to be harvested. His field report will later be checked against that of the taxpayer.

Property Taxes Legislation

From July 1982 through June 1983, the Legislature drafted and passed many bills which directly affect the roles of county assessors and the Board. The most important of these are described in the following summaries, which detail bill number, chapter number, and date signed by the Governor.

PROPOSITION 13

AB 15X—Chapter 14—April 5, 1983
Special Procedures Created for Refunding Property Taxes

This urgency statute provides that if a higher court affirms the *Armstrong and Barret* decision, refunds, including interest at 9 percent per annum, shall be made without the necessity of filing a claim to all assessees affected by this decision in the same manner as the plaintiffs. The superior court ruled in the cited cases that it was improper to have included inflationary adjustments in the valuation of real property starting with the 1976 lien date and that adjustments should not have started until the 1979 lien date.

AB 2718—Chapter 911—September 10, 1982
Certain Transfers of Real Property Excluded from Change in Ownership

This bill excluded from change in ownership two kinds of transfers:

(1) transfers between the same parties to correct a prior deed as long as the original grantor/grantee relationship is unchanged, and
(2) intrafamily transfers of dwellings that are principal residences for minor children both before and after the transfer, provided that the transfer proceeds from court order or judicial decree due to the death of the parents.

AB 3382—Chapter 1465—September 27, 1982
Intent of Ballot Proposition 3 Stated

This bill affected several areas of property taxation (see under *Mobilehomes* also). With respect to the change in ownership provisions of Article XIIIA, it set forth language implementing the exclusion from change in ownership afforded to replacement properties as defined in ACA 4 (Proposition 3 on the June 1982 ballot in the general election). This Constitutional amendment applies to persons displaced by eminent domain or other governmental actions resulting in acquisition of their real property.

ACA 4—Proposition 3 on General Election Ballot—June 8, 1982
Tax Relief Provided for Persons Displaced by Governmental Actions

This voter-approved amendment provided that "change in ownership" shall not include the acquisition of real property as a replacement for comparable property if the person acquiring the real property has been displaced from the property replaced by eminent domain proceedings, by acquisition by a public entity, or governmental action resulting in a judgment of inverse condemnation.

MOBILEHOMES

AB 3382—Chapter 1465—September 14, 1982
Mobilehome Assessment Procedures Revised

This bill made changes in four aspects of mobilehome assessment:

(1) the notification of mobilehome owners of pending enrollment under local property taxation,
(2) the option for owners to transfer voluntarily their mobilehomes from vehicle license fee to local property tax,
(3) the special disaster relief provisions applicable to mobilehomes damaged in a disaster declared by the Governor,
(4) more liberal terms for seeking reinstatement from the local property tax to vehicle license fee.

SB 1343—Chapter 1395—September 24, 1982
One-time Waiver of License Fee Delinquency Granted

This urgency statute established a procedure for penalty-free reinstatement to vehicle license fee status, under certain conditions, for mobilehomes whose license fee became delinquent between July 1, 1980 and March 1, 1982.

EXEMPTIONS

AB 2308—Chapter 1485—September 27, 1982
Period of Eligibility for Welfare Exemption Extended

This bill extended through fiscal year 1987–88 the welfare exemption from property taxation for certain open-space, scenic, and natural preserve lands held by nonprofit organizations, with limitations on ownership of adjacent land and on size of parcel.

AB 3426—Chapter 558—August 24, 1982
Welfare Exemption Applied to Additional Property

This measure creates a procedure for allowing churches leasing property to a school district to claim the welfare exemption for that property. It also makes nonprofit organizations conducting agricultural fairs eligible for the welfare exemption.

TIMBER LANDS

AB 2770—Chapter 1489—September 27, 1982
Timber Zone Provisions Modified

This bill changed the designation "Timberland Preserve Zone" to "Timberland Production Zone." It added residences or other structures necessary for parcel management to the list of "compatible uses" for TPZ lands, and defined "nonconforming use" of those lands.

AB 3296—Chapter 1058—September 14, 1982
Timber Yield Tax and Timber Reserve Fund Tax Revised

This bill modified the way in which timber yield tax revenues are allocated, by phasing out minimum revenue guarantees and allocating revenues on the basis of harvest location. It also repealed the statutes relating to the timber reserve fund tax.

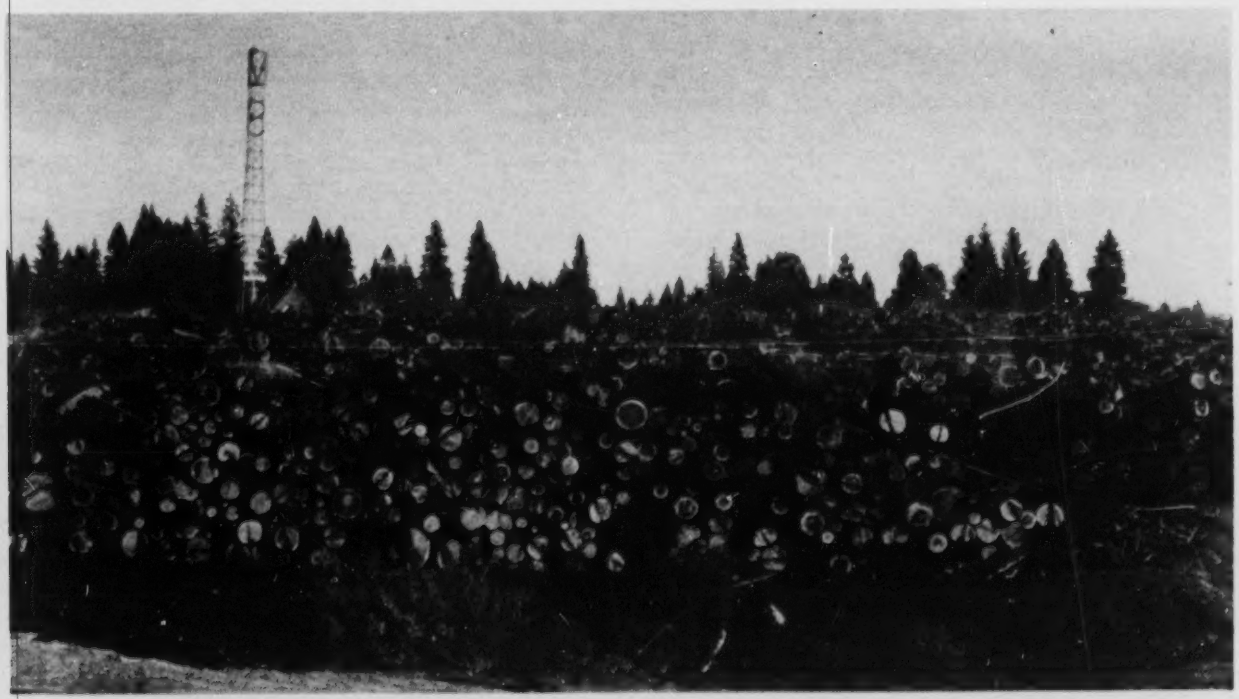
SB 2086—Chapter 760—September 7, 1982
Refund Procedure Created for Overpayments of Timber Yield Tax

This urgency statute allows counties either to refund overpayments of timber yield taxes due for 1980–81 in the manner prescribed by current law or to credit the amount of overpayment against the assessee's 1982–83 property taxes. This bill implements the *Soper-Wheeler Co.* appellate court ruling in October 1981 that Property Tax Rule Number 1025 was invalid.

MISCELLANEOUS

AB 1539—Chapter 1219—September 21, 1982
Procedures for Assessing Certificated Aircraft Modified

This urgency statute, effective for the 1982–83 fiscal year and thereafter, changes the "time in state" factor used in the allocation formula for assessing certificated aircraft. During any period of at least 720 consecutive hours spent on the ground, all time in excess of 168 hours would be excluded from the "time in state" factor.



Revenues from the Timber Yield Tax decreased in 1982–83 by 30.3 percent. This marked the fourth successive annual decline of this tax from a high of $42.5 million in 1978–79. The timber industry is experiencing a deep recession as high prices and interest rates curb the demand for new housing.

AB 3193—Chapter 1366—September 23, 1982
Open-Space Statutes Modified

This bill effected two changes in the statutes governing lands subject to Williamson Act contracts:

(1) counties and cities now have an unlimited time in which to decide whether to allow certain open-space lands to be assessed at a reduced percentage of their restricted agricultural value; and
(2) nonrenewal of an open-space contract must result in a comparison of three different specified values.

AB 3475—Chapter 728—September 7, 1982
Assessor Notified of Building Permit Activity

This legislation affected the local process of issuing building permits in two ways of interest to county assessors:

(1) the city or county can now require that building permits show the assessor's parcel number;
(2) the city or county may also require the permit-issuing agency to notify the assessor within 15 days of conducting a final building inspection.

AB 3742—Chapter 660—September 27, 1982
County Use of Hearing Officer Not Binding

This bill allows the county board of equalization to reject the assessment hearing officer's finding of value in an appeal of a property tax assessment.

SB 465—Chapter 1556—September 29, 1982
State Board Must Define Fixtures

This bill requires the State Board of Equalization to adopt a rule clarifying "constructive annexation" of items of personal property so that county assessors can determine when they qualify as fixtures.

Property Appraiser Lee Giles of the Valuation Division reviews the petition of a railroad car leasing company for reassessment of its property values under the Private Railroad Car Tax.

SB 1276—Chapter 887—September 9, 1982
Procedure Established for Separate Assessment of Timeshares

This urgency statute allows separate assessment of interests in timeshare projects and for separate tax bills for timeshare estate interests. It also allows the city or county to charge a fee for separate assessment and billing.

SB 1326—Chapter 327—June 30, 1982
State Board's Responsibilities for Intercounty Equalization Restated

This budget trailer bill included in its numerous provisions three items affecting property taxation:

(1) it modified the scope and purpose of the assessment practices surveys conducted by the State Board of Equalization;
(2) it revised procedures for equalization of assessments by the counties and by the Board;
(3) it repealed obsolete references to the appraisal sampling program conducted by the Board.

SB 1633—Chapter 939—September 10, 1982
Lien Date Changed for Some State Assessees

This bill, whose provisions become operative January 1, 1984, changed the date upon which taxes become a lien on property from March 1 to January 1 for private railroad cars assessed by the Board.

In the Valuation Division, Program Technician Mary Ann Morgan receives computer listings which track the movements of railroad cars in and out of California. The Private Railroad Car Tax is based on the value of the cars, the length of time they remain in the state, and the average property tax rate of the preceding year.

V. ECONOMIC ANALYSIS

Economic Summary

The nation's economy started the fiscal year on a low note. During the first six months the economic outlook was uncertain. Unemployment worsened from month to month. One-third of the industrial capacity of the nation was idle. The federal budget deficit, running at a rate of approximately $200 billion for the fiscal year, was by far the largest deficit in history and contributed to a general pessimistic mood in the financial community. Consumers hesitated to assume major purchases. Business investments were postponed. Both consumers and producers adopted a wait-and-see attitude. The situation was so gloomy that President Reagan in his state of the union message and the budget he presented to Congress did not project an immediate end to recession and a healthy upward turn in the economy.

The gross national product (GNP) dropped at an annual rate of 1.0 percent in the summer of 1982 and fell further to 1.3 percent in the fall; then it rose by 2.6 percent in the first quarter of 1983 and during the spring of the year advanced at an unexpected 9.7 percent. (GNP is the total value of all goods and services produced in the nation for domestic use and export and is expressed here in constant-value dollars.) The exceptionally strong performance in the last three months of the fiscal year raised the average growth for 1982–83 to 2.5 percent, a vast improvement over the decline of 1.5 percent in 1981–82. The national economy was definitely on the path to recovery and its quick pace took most analysts by surprise. The National Bureau of Research, the unofficial agency responsible for defining and charting business cycles, has traced the beginning of recovery to November 1982.

Despite the strong economic spurt in the second quarter of 1983, many analysts are predicting only a mild recovery because key economic factors have indicated that such exuberant performance simply could not be sustained from quarter to quarter. Experts have analyzed the condition of the economy during the last three years in an attempt to define the beginning and the duration of the recession. The more popular viewpoint is that we have experienced two recessions back-to-back. The first one lasted a brief six months, from January until July 1980, and was followed by 12 months of mild recovery before the economy relapsed into recession again in July 1981. This downturn continued for 16 months until November 1982, making it the longest recession since World War II. Another school of thought discerns only one period of recession covering nearly three years, from January 1980 until November 1982. Analysts who hold this opinion do not detect sufficient signs of economic recovery in the 12 months between the summers of 1980 and 1981 to designate that period as a true recovery. Furthermore, they point out that the automotive, construction, and related industries have been depressed for several years.

The nation's composite index of leading economic indicators rose modestly for four months straight from August through December 1982, then jumped 3.0 percent in January to record the largest monthly increase in over 30 years. The cyclical composite index continued upward and by June stood 15 percent higher than a year earlier. The index is designed to forecast economic activity several months in advance. It contains 12 components, including measures of employment, production, consumption, and investment which are sensitive to change and usually shift directions about three months before either an upturn or a decline in general economic activity.

Three of the 12 components of the national index were revised starting with the figures for January 1983. The measure of liquid assets has been replaced with one which gauges changes in various types of business credit. From the series which measures the prices of materials, petroleum and natural gas prices have been dropped because they reflect changes in OPEC policies instead of changes in demand. A third revision alters the method of estimating the number of new businesses. In the past, new business telephones were counted but now the number of new telephone access lines are being counted.

Falling gasoline prices helped ease the rate of inflation during 1982–83.

California's index of leading indicators declined by 2.3 percent during the first three months of the fiscal year and then turned upward for nine straight months, recording an overall increase of 12.5 percent by June.

The monthly unemployment rate is useful as a guide to current economic conditions and an indicator of the overall health of the nation. Nationally the rate of unemployment advanced steadily for 18 months, from 7.2 percent of the civilian labor force in July 1981 to 10.8 percent in December 1982. Then it dropped gradually so that by the end of the fiscal year it had declined to 10.0 percent. The unemployment trend in California was similar but steeper. The rate peaked in February 1983 at 11.2 percent of the civilian labor force, but by June it had been reduced to 10.3 percent.

Unemployment rates during the fiscal year reached their highest levels in more than 40 years. Manufacturing, education, and agriculture sustained the brunt of the labor cutbacks in the state. The number of workers engaged in manufacturing over the year dropped by 45,400 to 1,886,000; those in public schools fell by 17,300 to 759,900; and agricultural workers were cut back by 32,400 to 396,900. Two sectors of the economy—services and trade—added employees during the fiscal year. The number in the service industries increased by 61,600 to 2,349,400; the number in retail and wholesale trade combined was up 30,000 to 2,309,500.

The nation pays a high price for unemployment. Production is cut back, tax revenues are reduced, and government payments are increased. Congressional Budget Office studies have found that an increase of 1 percent in the annual jobless rate costs the government over $25 billion. About $5.6 billion will be spent on unemployment benefits, food stamps, Medicaid (Medi-Cal in California), and other assistance programs while government stands to lose $19.5 billion in business and personal taxes.

Personal income of Californians, which includes wages and salaries, rent receipts, stock dividends and interest, minus Social Security payments, was running at an annual rate of $328.9 billion as the fiscal year closed, up 6.5 percent from 1981–82. Nearly half of that growth occurred in the last three months of the fiscal year as the general economy surged forward.

The rate of personal saving fell off sharply during fiscal 1982–83. At 5.6 percent of disposable (after-tax) personal income in the summer of 1982, the rate already was low in comparison with the 7 to 8 percent recorded in the 1970s. In the spring of 1983 the personal savings rate fell still further to 4.0 percent, the lowest level in three decades, as consumers spent more freely to satisfy their pent-up demand for goods and services.

Nationally, the short-term installment debt of consumers totaled $353 billion in June, 6.4 percent more than a year earlier. Loans for automobiles accounted for 38 percent of all such credit.

Unemployment rates during the 1982–83 fiscal year reached their highest levels in more than 40 years. The unemployment rate in California peaked in February 1983 at 11.2 percent, but by June it had been reduced to 10.3 percent.

California's Fiscal Crisis

At the start of the 1982–83 fiscal year, California, along with most other states, felt the economic impact of the recession. In the early months of the fiscal year, both personal income taxes and retail sales and use taxes were flowing into the state's general fund at a slower pace than they had a year earlier. Consequently, the state was paying out more than it was collecting each month and its budget for 1982–83 was soon badly out of balance. In December the state's leading fiscal officials foresaw a potential shortfall of from $1 billion to $2.3 billion in the 1982–83 budget, and a gap of from $1.5 billion to $4.5 billion in the 1983–84 budget.

The fiscal situation confronting newly elected Republican Governor George Deukmejian was the most critical since 1967. The state's cash flow demanded prompt attention so that the state would have the money to meet its payroll and pay its bills. The alternatives were to reduce spending, to raise more revenue through tax increases, or to do both. Throughout his campaign Governor Deukmejian had taken a stance against raising tax rates or levying any new taxes and, despite legislative pressures, he stood firmly by his commitments.

Shortly after his inauguration in January, Governor Deukmejian tried to achieve legislative agreement on eliminating the deficit estimated at that time to be $1.5 billion in the 1982–83 budget. His proposal

was to reduce spending by $750 million and to carry over the remaining $750 million debt into the 1983–84 budget year—a novel solution which had never before been used to balance the budget.

While the administration and the Legislature were deadlocked, State Controller Kenneth Cory threatened to issue warrants instead of regular checks to state employees and others if no acceptable finance program was in place February 1. Registered warrants are a form of I.O.U. bearing 5 percent interest and probably could be cashed three or four weeks after issuance or when state funds became available. The impasse continued into February and a stopgap solution was reached in mid-February by borrowing to meet the state's fiscal liabilities. Although the fiscal crisis remained unresolved, the state's fiscal situation showed some signs for optimism as tax receipts for December and January exceeded estimates by $126.7 million. Nevertheless, the precarious fiscal situation kept those responsible for paying the state's bills apprehensive for the remainder of the fiscal year. Later we learned that liabilities of about $1 billion were carried into 1983–84.

The compromise solution which authorized the carryover of the budget deficit included legislation which would trigger a 1-cent sales tax increase on either November 1, 1983, or February 1, 1984 if state revenues fell below specified levels. As the revenue situation continued to improve, the November 1, 1983 date came and went without triggering a sales tax increase. The Governor's fiscal constraints, coupled with the reviving economy, seemed to assure the success of his strategy.

The June 15 statutory deadline for adopting a 1983–84 state budget came and went as if it had no legal significance. The Legislature and the administration were deadlocked over how to balance the budget. Legislators favored raising taxes; the administration preferred cutting expenditures. Companion legislation to the budget bill complicated the budget process by dealing with the possibility of a special election for the reapportionment of Assembly, State Senate, and Congressional district lines throughout the state. Ultimately, when the budget was sent to him five weeks late, the Governor prevailed through his free use of the veto power. He slashed about $1.1 billion from the budget presented to him, paring it to $22 billion, approximately the same as in 1982–83.

Major Revisions in the Consumer Price Index

The Consumer Price Index was created during World War I when cost of living data were needed for wage negotiations in shipbuilding cities. Over the years it has been overhauled several times. Until 1978, the index abbreviated as CPI-W was limited to wage earners and clerical workers, covering about 40 percent of the total population. Another index, the CPI-U was introduced in 1978 to cover all urban consumers. The new index includes salaried and professional workers, self-employed, and retired persons, including about 80 percent of our population. Both indexes have been released each month since 1978.

No other national statistic is as influential as the CPI. Through cost-of-living adjustments in labor contracts and statutory adjustments for payments to Social Security recipients, the index affects the wages and benefits of tens of millions of Americans. It is scrutinized by millions and it influences national legislation. For many years when prices were rising only 1 to 3 percent a year, the latest index was only a minor item in the business pages of the news. But when the index began to surge at annual rates of 10 percent or more in the late 1970s it became front page news and it continues to command this prominence. No economic indicator is monitored more closely.

The cost of housing was originally represented in the CPI by a rental index. In 1953, however, homeownership costs were incorporated as a component of the CPI. This revision was based on the decision that the price of a home and the mortgage interest costs represented current living expenses. Homes were thus treated as other durable goods, such as autos and furniture, which were components of the CPI. The influence of this revision on the overall index was negligible for years. Only after mortgage rates began to rise in the 1960s and to escalate in the 1970s did it become apparent that homeownership costs were exerting an undue influence on the CPI.

The overall cost of homeownership in the CPI has been comprised of five components with separate weights and procedures for estimating monthly changes in the prices of each. Three of these—property taxes, insurance, and maintenance and repairs—cover routine household expenses; the other two—home prices and mortgage interest costs—have been accused of exaggerating the increase in the cost of living. As the prices of houses and interest rates spiraled upward, the problem became more noticeable. Let us examine this index in a little more detail.

One criticism of the series of home prices is that homes sampled were not representative of all homes sold. The sample was taken from homes on which the Federal Housing Administration (FHA) had issued home mortgages. FHA's ceiling on the size of such mortgages excluded higher priced houses from the sample. Consequently, as housing prices escalated, home prices taken from this source became less and less typical of home prices in general.

A frequent but erroneous complaint stated that the CPI assumed that everyone bought a new house every year. The index never did assume this any more than it assumed that everyone bought a new car or refrigerator every year. The homeownership component assumed that 6 percent of all homes were purchased in a year. The percentage was based on homes purchased or sold in the survey year of 1972–

73. Homes purchased before the base period were excluded from computations of the index. Therefore, the home ownership component overstated the cost of living for persons who had purchased their home prior to the survey period.

A serious distortion problem arose when home prices escalated, because the capital appreciation of home ownership was being treated as if it were an increase in the cost of living. Homeownership does include the increase in the capital value of an investment in a house. This value is built into home prices and thereby overstates the cost of living. Because the CPI does not include the value of other assets, such as stocks, it was argued that the asset value of a house should not be included. Furthermore, the CPI made no provision to adjust for property taxes and mortgage interest which are deductible from income taxes. Home ownership carries a tax advantage that reduces the final cost of housing. Ignoring such savings overstates home ownership costs.

Mortgage interest rates and the cost of financing a new home posed more statistical problems than home prices did in computing the CPI. The index reflected only long-term fixed-rate mortgages. In the past several years housing finance has changed so drastically that no longer is there a typical mortgage package as far as interest rates and maturity are concerned. The variable rate mortgage and shorter mortgage maturities have been utilized by lenders to protect themselves against the loss of capital if inflation flares up in the future. So-called creative financing has further complicated the mortgage market. This requires the owner who is selling his home to assume part of the buyer's financing package, usually at rates below those offered by customary sources of mortgage money. There was no way the computation of the CPI could be adjusted to consider these financial developments.

The U.S. Bureau of Labor Statistics experimented with several alternative home ownership indexes during the 1970s before settling on the use of a "rental equivalent" (the rental value of owner-occupied homes) for this component of the CPI in January 1983. The measure segregates the value of a house as shelter from its value as an asset. The rationale for this revision is simply that the cost of shelter consumed by homeowners should represent the rental income they forego by occupying their homes instead of renting them to others.

Realignment of the CPI with rental equivalence has altered the relative importance of housing and of other components of the index. Housing has dropped from 45.9 to 37.7 percent of the total CPI. Shelter costs have been cut from 31.5 to 21.3 percent. Homeowners costs have been reduced from 25.5 to 13.9 percent. Other items such as food and beverages have increased from 17.4 to 20.1 percent and transportation costs moved up from 18.9 to 21.8 percent.

While problems revolving around the adequacy of the data justified revision of the overall index, another reason was in the forefront. The Economic Recovery Tax Act of 1981 requires the use of the CPI-U (the all-urban index) for escalation of both income tax brackets and the personal exemption amount. By law the new tax brackets must be announced in December 1984 and based on CPI-U data for the prior two years. The new use of the index for this purpose was a factor which underscored the importance of refining the CPI to reflect the consumption cost experience of consumers in the most accurate way possible.

The most influential statistic in the nation is the Consumer Price Index which has been criticized as overstating the cost of homeownership. The substitution of a "rental equivalent" has reduced the relative importance of the CPI's housing component.

The CPI is the most popular statistic for comparing the consumer's average cost of a fixed package of goods and services—"the market basket"—at different periods of time. While the CPI is not designed to measure the cost of living, it is used for this purpose because it comes closer than any other statistics to measuring the cost of living.

Over the years, the CPI has been subjected to a barrage of criticism, in addition to the complaints about its homeownership component. A general criticism relates to the composition of the market basket. The present package was developed from a Consumer Expenditure Survey conducted in 1972 and 1973. About 20,000 families participated by furnishing detailed information on their expenditures for goods and services. The revisions called for by this study were not brought into the market basket until 1978. Before these revisions were accomplished, the rate of inflation had flared up to more than 10 percent and since they were adopted, inflation has topped 10 percent for three years. Experience and observation indicate that vast segments of our population become more dollar conscious and change their buying habits as prices become inflated. They switch to more economical food products, clothing, and automobiles, for example. By doing so they may reduce the proportional amounts they spend on vari-

ous types of commodities and services, but there is no way that the CPI could make allowance for such changes in buying patterns. This is why new surveys must be made periodically to determine revisions in the market basket.

The national CPI is designed, computed, and published by the Bureau of Labor Statistics of the U.S. Department of Labor. The comparable index for California (CCPI) is prepared by the State Department of Industrial Relations in conjunction with the U.S. Bureau of Labor Statistics.

Overall Price Stability Achieved

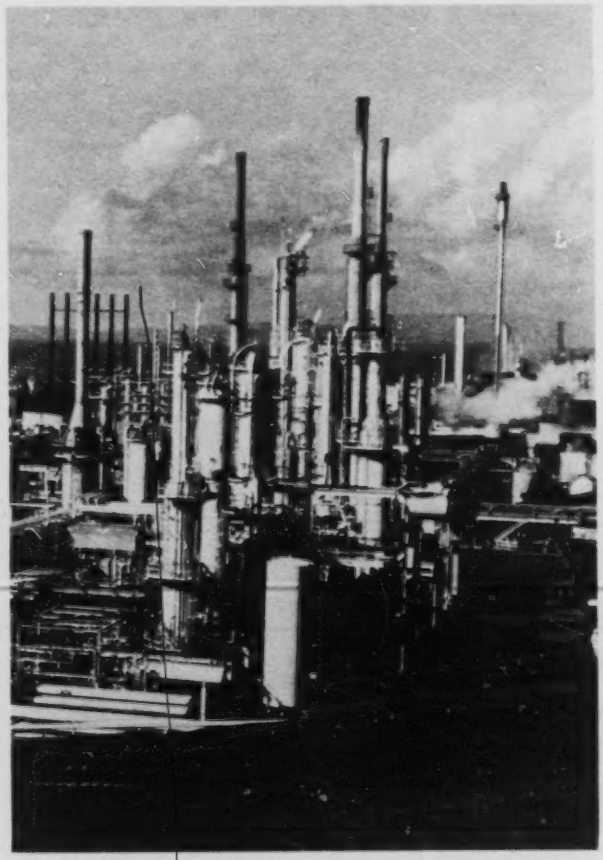
Reducing the rate of inflation has been a major economic development over the past two years. The California Consumer Price Index, which increased 11.4 percent in 1980–81, slowed to a 10.9 percent rise in 1981–82, and fell to a mere 2.2 percent gain in 1982–83. Monthly decreases in the CCPI were actually recorded during the 1982–83 fiscal year.

The price of controlling inflation, however, has been high. It has been a mixed blessing for consumers: benefits were offset by massive unemployment and resulting loss of income. Since October 1979, the Federal Reserve Board has followed a policy of strictly limiting the growth of the money supply, a policy now being held responsible for economic stagnation and high unemployment. That policy at one time held the promise of reducing both the rate of inflation and the cost of borrowing money and both of these goals were expected to be attainable with a tolerable loss of jobs. In retrospect, the cost of the tight money policy was greater than anticipated. Interest rates climbed to historic highs, leading the Feds to ease up on controls and make more money available for business expansion early in fiscal 1982–83. After hovering between 16.5 and 17 percent for several months the prime rate was lowered to 16 percent in July 1982. From month to month it was whittled away until in February 1983 it was down to 10.5 percent where it remained for the rest of the fiscal year. Reductions in interest rates have accompanied reductions in inflation.

Petroleum Market Achievements

A twelve-fold increase in the price of crude oil from 1973 to 1982 significantly affected most national economies and changed the world's energy outlook. Higher prices have encouraged conservation, switching to other fuels, and production of more petroleum in countries other than the Oil Producing and Exporting Countries (OPEC). Drastic price increases triggered a worldwide recession which eventually crippled the demand for oil. Decisions of OPEC are so far-reaching and pervasive that they can affect the prospects for worldwide economic recovery, the solvency of some nations, and the stability of large multinational banks.

Following OPEC's latest inflationary round of price increases in 1979, the world demand for petroleum declined under the impact of recession and the adoption of conservation measures. Since 1979, OPEC's share of the market in the noncommunist world has shrunk from 31 million to less than 18 million barrels a day. During 1982–83 the petroleum market suffered from overproduction and the consequent deterioration of prices. These dual problems kept OPEC's oil ministers hopping from one capital



The 1982–83 price drop of 10.7 cents per gallon of gasoline was the first decline in more than a decade.

to another as they struggled to find solutions that might be acceptable to all 13 members of the cartel. OPEC sessions in December 1982 and January 1983 collapsed under the divisive issues of prices and production quotas. The law of supply and demand, however, was about to impose its own solution on OPEC with lower prices and less demand for its oil.

Within a week of OPEC's January 1983 stalemate, U.S. firms lowered the price of domestic crude by $1 a barrel. Great Britain triggered a price war by cutting the price of North Sea crude by as much as $3

a barrel to $30.50. Norway followed suit. Egypt (a non-OPEC country) reduced its prices by $1 to $2 a barrel according to grade. Nigeria dropped its price of light high-grade crude by $5.50 a barrel to $30 because it was pressured into matching the lower British price. Mexico drastically cut back on its prices by grade. Production lagged because oil companies hesitated to negotiate contracts while one country after another was slashing prices. The market psychology took on an attitude of wait-and-see.

With dissension rampant among its members there was speculation by some observers that the OPEC cartel was outliving its usefulness. The Saudis who held the upper hand needed to make serious concessions before the group could reach any consensus on pricing and production limitations. After three weeks of informal negotiations in several capital cities, OPEC's ministers convened in London in March. There, at last, they agreed upon individual production quotas for each nation as well as prices. The official price of OPEC's benchmark, Saudi Arabian light crude oil, was slashed by $5 to $29 a barrel. Other nations outside of OPEC such as Mexico and Egypt simultaneously slashed their prices to remain competitive.

Under the terms of their agreement, total output for the year for the 13 OPEC members would be limited to 17.5 million barrels a day and quotas were set for each member nation except Saudi Arabia which agreed to be the "swing producer." As such it would increase or decrease production to meet the overall allowable total of 17.5 million barrels a day. By June the price of gasoline in California had been pushed up nearly 15 cents a gallon, with only 5 cents of this increase accounted for by higher taxes.

In retrospect we might note that just as OPEC's arbitrary decisions to boost oil prices precipitated global recession, the sharp decline in fuel prices over the past year has been conducive to economic recovery. The 1982–83 drop of 10.7 cents a gallon in the price of gasoline was the first decline in more than a decade.

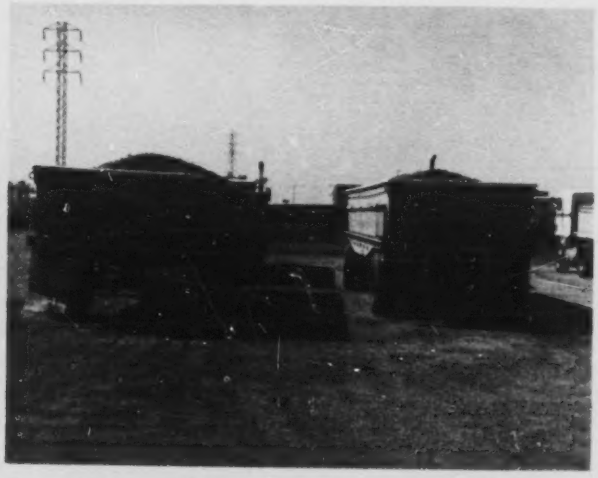
Revenues Level Off

Tax programs administered by the Board of Equalization produced state and local revenues totaling $12,122,335,000 during fiscal 1982–83. Although aggregate revenues increased by 4.5 percent, new sources of revenues accounted for $213,219,000 or 40 percent of the increases. These came from the transit district taxes levied in Los Angeles and San Mateo counties effective July 1, 1982. Excluding these new revenues to make a more valid comparison, the total would have been up only 2.7 percent. (Levies from each tax are presented in the accompanying text table while additional detail and historical comparisons are given in Appendix Table 2.)

Per capita revenue in actual dollars collected totaled $486, up $12 from the revised figure of $474 for 1981–82. Converted to dollars of constant value by adjusting for an average increase of 2.0 percent in the California Consumer Price Index, per capita revenue increased only $2 from $474 to $476. (See page 10 for comparisons of the major sources of state revenue from all state agencies.)

State and local sales and use taxes aggregated $10,179,459,000 in revenue, a fiscal year increase of 3.5 percent. The state's sales tax at 4.75 percent grossed $7,795,554,000 as it advanced 1.4 percent (and by a small margin held its edge over the state's personal income tax as California's largest single source of revenue.) Taxable sales continued in the doldrums for the fourth straight fiscal year. Expressed in dollars of constant value, taxable sales performance was negative in the first two quarters, but shifted to posi-

California's Cigarette Tax of 10 cents per pack produced $271.6 million in 1982–83, down 1.9 percent from the previous fiscal year as per capita consumption continued its downward trend.



Diesel fuel distributions of 1.167 billion gallons were down by 1.5 percent in 1982–83. However, excise tax revenues on diesel fuel were up 14.7 percent because of a 2-cent-per-gallon increase effective January 1, 1983.

tive in the final two quarters. Sales activity, however, did improve from quarter to quarter as the year progressed.

The Board collected $2,383,430,000 in sales and transactions taxes for other governmental agencies—cities, counties, and transit districts. (Details are given in Appendix Tables 21A and 21B.) Transit district taxes at the rate of one-half of 1 percent were levied in seven counties: Alameda, Contra Costa, Los Angeles, San Francisco, San Mateo, Santa Clara, and Santa Cruz. (Footnotes in Appendix Table 22 list allocations to each district by fiscal year and indicate when the levy originated in each county.)

The state's fuel taxes aggregated $974,560,000 during 1982–83 and gasoline accounted for $880,586,000 of the total. Both amounts increased by 14.3 percent over their yields in 1981–82. This was the first increase in four consecutive years. The downward trend would have prevailed this fiscal year also if the Legislature had not raised the state's excise taxes on gasoline and diesel fuel from 7 cents to 9 cents per gallon effective January 1, 1983. The new levies brought in a total of $123,498,000. Distributions of gasoline and diesel fuel made from January through June accounted for $108,823,300 and $11,218,300, respectively. An additional $3,456,400 was collected from the 2 cents-per-gallon storage tax imposed on gasoline inventories in dealers' tanks on December 31, 1982.

After declining during the three preceding fiscal years, gasoline usage leveled off in 1982–83. Gasoline distributions totaled 10.94 billion gallons, 0.1 percent less than the revised figures for 1981–82. Effective on tax returns for January 1982, reporting requirements were revised by statute to allow refineries and other licensed distributors to offset any tax liability on fuel which they exported (as to Arizona or Nevada) from tax owed on distributions they made within the state. During 1982 such tax-paid exports represented 0.56 percent of all taxable distributions of gasoline. Because no data on tax-paid exports were available prior to January 1982, distributions for the first six

COMPARISON OF REVENUES
1981–82 and 1982–83
(in thousands of dollars)

Revenue Source	*1981–82*	*1982–83*	*Percent Change*
Sales and Use Taxes			
State tax (4¾%)	$7,689,139 r	$7,795,554	1.4
City and county sales tax (1%)	1,602,661	1,619,263	1.0
County transportation tax (¼ of 1%)	401,035	406,360	1.3
Transit district taxes (½ of 1%)			
San Francisco Bay Area [1]	88,625	85,310	−3.7
Santa Clara County	51,529	53,782	4.4
Santa Cruz County	5,258	5,496	4.5
Los Angeles County Transportation Commission	–	196,433	–
San Mateo County	–	16,786	–
Other taxes and fees	487	475	−2.5
TOTALS	$9,838,734	$10,179,459	3.5
Fuel taxes and fees			
Gasoline and jet fuel	771,488	881,289	14.2
Diesel and other use fuel	81,325	93,271	14.7
TOTALS	$852,813	$974,560	14.3
Alcoholic beverage taxes	139,524	136,209	−2.4
Cigarette tax	276,824	271,621	−1.9
Electrical energy surcharge	30,994	30,726	−0.9
Emergency telephone users surcharge	20,052	23,057	15.0
Hazardous waste control tax	1,387	5,758	[3]
Hazardous substance tax	2,068	10,307	[3]
Local taxes on state assessed properties [2]	406,536	462,241	13.7
Timber yield tax	14,445	10,069	−30.3
Timber reserve fund tax	8,634	14,195	64.4
Private railroad car tax	4,854	4,133	−14.9
GRAND TOTALS	$11,596,865	$12,122,335	4.5

[1] Metropolitan Transportation Commission revenues have been included on this line. Interest is accrued on MTC monies until they are allocated. Interest amounted to $4,115,677 in 1981–82 and $1,173,810 in 1982–83. Additional details are given in Appendix Table 22, footnote [m].

[2] Collected by county tax collectors.

[3] Not computed. 1981–82 revenues are not for a full year.

[r] Revised.

months of fiscal 1981–82 have been revised by that percentage and the fiscal year total has been adjusted downward so that numbers for the two fiscal periods would be reported on a comparable basis.

Diesel fuel usage for the second straight year followed the trend set by gasoline. Diesel fuel distributions of 1.167 billion gallons shrank by 1.5 percent from the revised amount for 1981–82. The state's excise tax on diesel and other use fuels produced $93,232,000. The revenue was 14.7 percent higher than in 1981–82 because the excise tax rate on diesel fuel increased by 2 cents per gallon effective January 1, 1983. (Historical data on assessments and distributions of fuels are presented in Appendix Tables 23–25.)

The state's excise tax of 10 cents per pack on cigarettes produced $271,621,000, 1.9 percent less revenue than in 1981–82. Distributions of 2,735,000,000 packs of tax-paid cigarettes were down 1.8 percent. Per capita consumption decreased markedly from 119.4 to 114.7 packs per year. Per capita consumption thus followed a long trend which has seen the number drop from more than 147 packs in 1962 to less than 115 packs per person a year in 1982–83. (See Appendix Tables 30A and 30B for additional data.)

Alcoholic beverages taxed by the state at rates ranging from 1 cent to $2 per gallon produced $136,209,000, down 2.4 percent from 1981–82, the second straight decrease. Distilled spirits, representing $108,519,000 of this amount, declined by 3.5 percent. Total distributions of 54,393,000 gallons of distilled spirits on an accrual basis were 3.0 percent lower and per capita consumption moved downward from 2.29 to 2.18 gallons. Beer and wine excise tax collections of $27,690,000 fell short of the revenue for 1981–82 by 2.3 percent. Per capita consumption of beer followed the trend of distilled spirits, decreasing from 24.96 to 23.99 gallons per person. The use of wine on the other hand continued its long historical trend by increasing from 4.47 to 4.54 gallons per capita. (See Appendix Tables 27–29 for historical data on taxes, total consumption and per capita consumption by type of beverage.)

The electrical energy surcharge levied on the use of electricity in California produced $30,726,000, 0.9 percent less than in fiscal 1981–82. The rate, which is adjusted to provide the funds budgeted for the State Energy Resources Conservation and Development Commission has been $0.0002 (two-tenths of a mill) per killowatt hour (KWH), the maximum allowed by law since September 1, 1981.

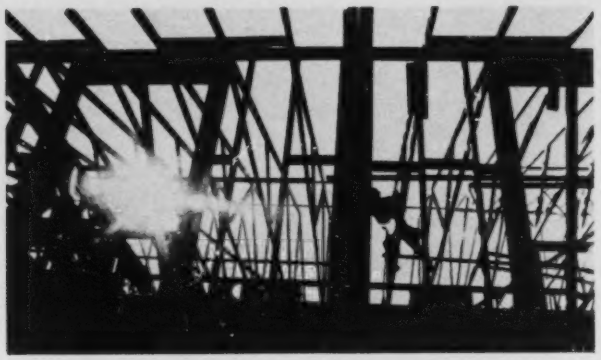
The Emergency Telephone Users Surcharge, a levy to fund the 911 statewide emergency number system, produced $23,057,000. This tax is levied at the rate of one-half of 1 percent on bills for in-state telephone and communications services. The current rate was enacted by the provisions of Senate Bill 1180, Chapter 906, 1979, effective through October 31, 1982, and the Board has continued to levy the same rate since then.

Revenue from the Timber Yield Tax decreased to $10,069,000, down 30.3 percent from the depressed amount in 1981–82. This marked the fourth successive cutback of this tax from a high of $42,518,000 in 1978–79. The timber industry experienced deep recession over this period as demand for new housing has been weak in the face of high initial prices and prevailing high mortgage rates. The timber yield tax rate of 2.9 percent was levied on all timber harvested in the state. Initiated in fiscal 1977–78, this tax replaced the former ad valorem levy on standing timber administered by county assessors. The revenue collected by the state is reserved in its entirety for allocation to counties and does not augment the state's revenues. During the 1982 calendar year another levy at the rate of 5.2 percent was imposed on all timber harvested for the timber reserve fund. This additional levy, which was required to enable the state to meet its statutory fiscal obligations to the timber counties, produced $14,195,000. This statutory guarantee expired at the end of 1982.

Taxable Sales on the Mend

Business transactions subject to California's sales and use taxes totaled $158.4 billion during fiscal 1982–83. There was an increase of 2.1 percent in current-value dollars and one-tenth of 1 percent in constant-value dollars. Although the level of taxable sales decreased during the summer of 1982, it improved from

Retail stores account for two-thirds of all business transactions subject to Sales Tax. Taxable sales by retail stores totaled over $105 billion in 1982–83, up 3.8 percent.



Sales by building material dealers were up 8.3 percent in 1982–83, following two years of substantial decline.

quarter to quarter during the rest of the fiscal year. Price increases gauged by the California Consumer Price Index (CCPI) averaged only 2.0 percent during the fiscal year. The rate of inflation is noteworthy because it fell to its lowest level in years; nevertheless, goods and services which had cost a consumer $100 in 1967 cost $295.40 during 1982–83. The turnaround in real (inflation-adjusted) sales growth occurred after three consecutive fiscal-year declines. Despite the upturn, the volume of taxable sales in constant-value dollars during 1982–83 was still 10.5 percent less than it had been in 1978–79.

Retail stores, which account for two-thirds of all taxable transactions, reported taxable sales of $105,565,377,000 for the fiscal year, an increase of 3.8 percent. (See Appendix Table 19 for detail on sales tax, and number of permittees, by type of business.) The sales volume after adjustment for price increases was 1.7 percent higher than that for 1981–82. Taxable transactions of business and personal services concerns, whose tax is based to a large extent on materials and parts used in service and repairs because repair labor is tax-exempt, totaled $6,325,176,000, up 6.4 percent. "All Other Outlets"—primarily manufacturers, wholesalers, construction contractors, itinerant vendors, and part-time permittees regardless of type of business—recorded taxable transactions of $46,544,204,000, down 1.9 percent from their volume in 1981–82. Their business, obviously, was hit harder by the economic recession than that of retailers.

The retail spectrum underwent transition during the fiscal year. New car dealers, the mainstay for durables, regained their historic rank with a larger taxable sales volume than any other class of business. Posting a gain of 12.1 percent, their sales volume of $13.9 billion represented 8.8 percent of the total taxable sales. This marked their best performance since 1977–78 when a gain of 19.6 percent was achieved. Private-party sales of used vehicles aggregated $2,738,940,000 in taxable transactions, up 5.8 percent for the fiscal year. Service stations, after holding the dominant position in taxable sales for three years, dropped back to third place. The decrease occurred primarily because the average price of gasoline during the fiscal year was cut nearly 8.5 percent. Sales of restaurants and bars totaling $13.8 billion ranked second to those of new car dealers. Sales of department stores at $12.8 billion were 4.2 percent higher than in 1981–82. Their rank, however, slipped from second to fourth place.

Unit sales of new motor vehicles reversed a persistent downward trend to record an increase of 5.0 percent as 1,120,210 new autos and trucks were registered during the fiscal year. After posting a record 1,461,750 new motor vehicles in fiscal 1977–78, the number declined in each of the next four fiscal years to a low of 1,066,895 in 1981–82. While the total number of new registrations advanced in 1982–83, it was still 2.7 percent less than in fiscal 1977–78. New car registrations totaling 901,338 were 4.0 percent higher than in fiscal 1981–82 while registrations of 218,875 new trucks increased at more than double that rate, a rapid 9.1 percent. The total number of all autos and trucks registered in California was 16,051,080 as the fiscal year ended, 2.4 percent more than in June 1982.

1982–83 Taxable Sales by Quarter; Growth in Actual Dollars Compared to Growth in Constant-Value Dollars

Quarter	*Taxable Transactions*		*Percent Change From Prior Year In:*		
	Amount	*Percent of Total*	*Actual Dollars*	*Constant Value Dollars*	*California Consumer Price Index*
July–September	$38,365,337,000	24.2	−2.7	−7.6	5.3
October–December	41,461,290,000	26.2	1.2	−0.3	1.6
January–March	36,880,119,000	23.3	1.8	1.5	0.3
April–June	41,728,011,000	26.3	8.4	7.4	0.8
Fiscal Year	$158,434,757,000	100.0	2.1	0.1	2.0

New Vehicle Registrations and Taxable Sales of New Car Dealers, 1982–83

Quarter	Number of Registrations of New Vehicles: Automobiles Number	Automobiles Percent Change Year to Year	Trucks Number	Trucks Percent Change Year to Year	Total Number	Total Percent Change Year to Year	Taxable Sales of New Car Dealers: Amount	Taxable Sales of New Car Dealers: Percent Change Year to Year
July–September	194,255	−16.3	48,391	−7.9	242,646	−14.8	$2,963,076,000	−8.0
October–December	224,072	11.7	57,783	32.1	281,855	15.3	3,354,860,000	19.7
January–March	224,416	9.8	51,723	9.2	276,139	9.7	3,480,108,000	13.6
April–June	258,595	12.8	60,978	7.1	319,573	11.7	4,136,001,000	23.8
Fiscal Year	901,338	4.0	218,875	9.1	1,120,213	5.0	13,934,045,000	12.1

The automotive types of business featuring durables, i.e., excluding service stations, recorded taxable transactions of $18,755,761,000, an increase of 11.0 percent over 1981–82. The sales pace of this group picked up rapidly as recovery got under way and in the final quarter of the fiscal year it ran 21.7 percent higher than a year earlier. Sales incentives continued to be offered by manufacturers of new cars and trucks and by dealers to stimulate sales during most if not all of the model year.

Service stations, which in our classification system include refineries and bulk plants of oil companies operating service stations, posted taxable sales of $13.34 billion, 11.7 percent less than in 1981–82. Gasoline distributions of 10,941,848,000 gallons were down 0.1 percent as motorists continuously reduced their consumption of gasoline, but the amount spent on this fuel, estimated at $12,693,368,000, fell off 8.8 percent. During the fiscal year the average quarterly price per gallon dropped from $1.25 to $1.06 and averaged $1.163 for the entire year, 8.4 percent less than the average price of $1.270 in 1981–82. The estimated price of gasoline excludes sales taxes and it is weighted for all grades of gasoline and all types of service at retail stations and for bulk sales to fleet operators.

Consumption of 1,167,409,000 gallons of diesel fuel was 1.5 percent less than in 1981–82. Although the growth rate in diesel usage had been diminishing in the three years from 1979–80 through 1981–82, this was the first year to record a lower volume than the previous year. The decline may be attributable to a reduction in trucking brought on by the recession. The combined usage of gasoline and diesel fuel, 12,109,257,000 gallons, was 0.75 percent less than in the preceding year.

Fuel prices and fuel taxes underwent significant developments during the fiscal year under review. Enabling legislation, passed in 1981 (SB 215; Chapter 541, Statutes of 1981) and subsequently approved by more than the required number of counties through county boards of supervisors, went into effect January 1, 1983. This measure provided for a 2-cent boost in the state's excise taxes on gasoline and diesel fuel, the first permanent rate increase since October 1, 1963. (Temporary increases are listed in footnotes in Appendix Tables 23 and 25.) The additional levy on gasoline is being divided evenly between the state and local jurisdictions.

During the fall of 1982 before the state's 2-cent levy was imposed, Congress enacted a nationwide 5-cent tax hike on gasoline and diesel fuel with an effective date of April 1, 1983. This was the first federal increase since the rate had been set at 4 cents per gallon October 1, 1959. The combined increases pegged the total excise taxes on these motor fuels at 18 cents per gallon: 9 cents for the state and 9 cents for the federal government. The federal increase of 5 cents per gallon became effective at a time when prices were beginning to rise and it temporarily pushed them up more sharply.

The building material group and each type of business within it made significant strides during the 1982–83 fiscal year, following two years that had witnessed an overall decline of 9.1 percent in taxable sales. The group total of $5,968,421,000 in taxable transactions was up 8.3 percent. Growth accelerated as the year progressed. In the final quarter the taxable sales volume was 20.1 percent above that in the spring of 1982. The number of new housing units authorized during the fiscal year was approximately 123,130, up 61 percent from the prior year. During June the annual rate for issuing authorizations for new housing units rose to 208,400 as builders rushed to beat new energy regulations effective June 13. The need for new housing in the state is generally thought to be about 200,000 units a year.

Taxable sales performance varied widely during the fiscal year in the four major regions of the state defined by the Board. The most rapid growth took place in the San Francisco Bay Area which posted a

Taxable Transactions of Service Stations Compared to Gasoline Distributions, by Quarter 1982–83

Quarter	*Taxable Transactions*		*Gasoline Distributions*			
	Amount	*Percent Change Year to Year*	*Gallons*	*Percent Change Year to Year*	*Estimated Expenditure*	*Percent Change Year to Year*
July–September	$3,569,160,000	−16.5	2,776,165,000	−1.0	$3,467,430,000	−5.4
October–December	$3,328,288,000	−13.3	2,721,518,000	−0.7	3,186,898,000	−11.1
January–March	3,026,608,000	−14.8	2,706,202,000	2.4	2,876,693,000	−13.6
April–June	3,419,605,000	−0.6	2,737,963,000	−1.1	3,162,347,000	−1.1
Fiscal Year	$13,343,661,000	−11.7	10,941,848,000	−0.1	12,693,368,000	−8.8

gain of 6.3 percent. Northern California and the mountain counties ranked second with 4.8 percent. The San Joaquin Valley and central coastal counties trailed with 1.2 percent and southern California edged upward only 0.4 percent. Southern California was held back by Los Angeles and Imperial counties, which recorded declines of 1.8 and 17.2 percent, respectively. The San Joaquin Valley and central coastal counties were hampered by Kern and Monterey counties, which posted respective decreases of 9.8 and 2.9 percent. In the northern California and mountain county region, 15 counties sustained decreases while 14 experienced increases. Taxable transactions in those 15 counties aggregated only 19 percent of the region's total; therefore, their negative weight was more than overcome by the counties which posted advances. In the San Francisco Bay Area, every county recorded a higher taxable sales volume.

Nineteen of the state's 58 counties posted declines, 38 counties expanded their taxable sales volumes, and one county simply held its own which was not without merit in a period of recession and unemployment. (Detail by county and relative performance for the fiscal year is presented in Appendix Table 20.)

Quarterly and fiscal-year growth patterns for the four regions of the state reveal wide variations from the statewide trend. Growth tends to level out over time as these numbers indicate. The data are presented for two years to emphasize this principle. Performance over the two-year span from 1980–81 through 1982–83 reveals far more uniformity than is evident in the one-year comparisons. Excepting the San Francisco Bay Area, which recorded the strongest regional gains in each of these years, the regions that performed the strongest in 1981–82 did the poorest in 1982–83. Northern California and the mountain counties, which had done the poorest in 1981–82, came on strongly in 1982–83. The two-year growth rate of 4.1, 4.4 and 4.7 percent for these three areas—Northern California, Southern California, and the San Joaquin Valley—is quite similar.

The present outlook for the economy as a whole and for retail business is optimistic. Nationally, sales of new cars were strong during the summer although construction of new housing eased up a bit. Employment and personal income are rising. Consumers are in a favorable financial position for making more purchases on credit. As they do, the continuation of recovery is strengthened.

Regional Growth Patterns in Taxable Transactions, 1982–83
Percent Changes, Year-to-Year

	1981–82					*1982–83*					
	3rd	*4th*	*1st*	*2nd*	*Yr.*	*3rd*	*4th*	*1st*	*2nd*	*Yr.*	*2 Yr. Chg.*
No. Calif. & Mountain Counties	5.4	0.6	−1.4	−4.9	−0.1	0.3	5.7	2.3	11.0	4.8	4.7
So. Calif.	11.0	5.1	4.1	−3.4	4.0	−3.7	0.2	−2.0	7.3	0.4	4.4
San Joaquin Valley & Central Coast	8.5	3.2	4.0	−3.7	2.9	−1.7	1.3	−2.9	7.8	1.2	4.1
S.F. Bay Area (9 counties)	9.0	5.1	3.0	−1.7	4.5	3.1	7.4	1.9	13.0	6.3	11.1
Statewide	9.8	4.5	4.1	−3.2	3.7	−1.6	2.4	−0.9	9.0	2.2	6.0

VI. BUSINESS TAXES

The State Board of Equalization administers twelve business taxes which generated $11.6 billion in revenue for state and local government during fiscal 1982–83. The Board's cost of administration averaged 72 cents for each $100 collected.

The following business taxes are administered by the Board:

California Sales and Use Tax (p. 54)
City and County Sales and Use Taxes (p. 55)
County Transit District (Transactions) Sales and Use Taxes (p. 56)
Use Fuel Tax (p. 56)
Motor Vehicle Fuel License Tax (Gasoline and Aircraft Jet Fuel) (p. 57)
Cigarette Tax (p. 58)
Alcoholic Beverage Tax (p. 59)
Insurance Tax (p. 59)
Emergency Telephone Users Surcharge (p. 60)
Energy Resources Surcharge (p. 60)
Hazardous Waste Tax (p. 61)
Hazardous Substances Tax (p. 61)

Most of these taxes are administered through a self-assessed system which requires taxpayers to file tax returns reporting amounts of gross transactions, appropriate exempt transactions, taxable transactions, and the tax due.

Service to taxpayers is provided through 59 field offices at convenient locations statewide. Offices are also maintained in New York, Chicago, and Houston for taxpayers who do business in California, but maintain their headquarters or records in other states.

The Board's staff registers taxpayers; issues them permits; assists them in filing tax returns and reports properly; identifies taxpayer errors in self-assessment through audits and other compliance methods; and collects monies from taxpayers.

For each reporting period, the Board mails the taxpayer a tax return form preprinted with key information as to name and account number, location, type of business, and reporting period. The form contains instructions for completing it and paying the correct tax. Information provided by the taxpayer on the return enables the Board to distribute promptly the tax collected for cities, counties, and transit districts, and the state's general fund or special funds. The information furnished on the tax return must be supported by substantiating records maintained by the taxpayer.

More than 3,322,631 tax returns were received during 1982–83. Each return was verified for completeness, accuracy, and compliance with the law. Approximately 7.5 percent or 250,000 returns required specialized handling.

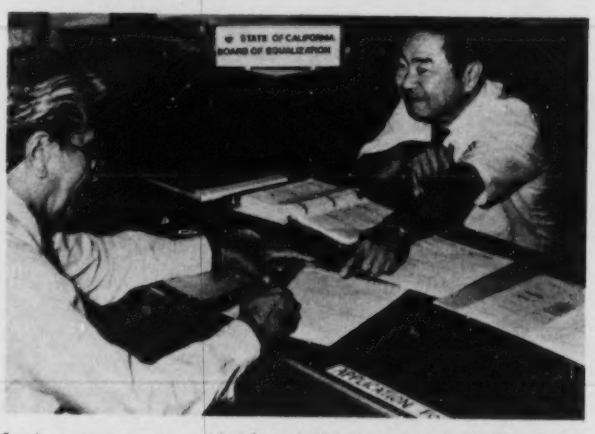
Audit Activities

The Board believes that public awareness of its auditing program motivates taxpayers to report accurately and timely. An important objective of the auditing program is to assure taxpayers that each is paying neither more nor less than the law requires, an assurance which the Board believes fosters a climate of cooperation and deters error or carelessness in self-assessment. The tax base is thus protected because taxpayer reporting errors are detected and corrected.

The Board's field audit activities in 1982–83 continued to produce tax revenue benefits for the state and local governments substantially greater than the cost of the program. Audits completed during 1982–83 detected a record amount of underpayments of self-assessed taxes, recovering a total of $205.9 million. The tax revenue recovery rate for the audit program increased to $217.48 per audit hour, up from $185.11 the previous fiscal year.

Overpayments of tax discovered through audits totaled $21.0 million during the 1982–83 fiscal year, compared to $18.9 million in 1981–82.

A taxpayer who disagrees with a determination of tax liability recommended as the result of an audit may follow a simple procedure to file an appeal with the Board of Equalization. No filing fee is required



Service to taxpayers is provided through 59 business taxes field offices. In the Hollywood office, Tax Auditor Yosh Yano (right) helps a taxpayer register a new business and obtain a sellers permit.

and the taxpayer may represent himself. Petitioners are required to document specific grounds for protesting the tax.

An integral part of the Board's audit program is the instant access to all computer-maintained account records which is made available through the agency's statewide communications network. The network enables auditors to check registration information, security on deposit, and payment and delinquency records. An alphabetical file of registered taxpayers enables auditors to cross-check on the proper use of resale certificates which entitle businesses to purchase items for their own use without payment of tax. The communications network also provides audit histories for all accounts, a feature used in the selection of taxpayers for audit. Field auditors employing statistical sampling techniques in their assignments may request the system to generate random number samples. The system also supplies the audit and compliance staffs calculations of compound daily interest at varying rates for designated tax reporting periods.

Tax Compliance Activities

The Board's compliance staff is responsible for the proper licensing of more than 770,000 places of business and ensuring that business taxes are reported and paid accurately and timely. At the Board's 59 field offices, taxpayers may obtain the proper permits and receive advice and information on the application of tax law to their particular business

TABLE A

SUMMARY OF BUSINESS TAXES FIELD AUDIT ACTIVITIES
FISCAL YEARS 1978–79 TO 1982–83

Year	Number of Audits Completed [a]	Hours of Direct Field Audit Time [b]	Average Hours Per Audit [a,b]	Direct and Indirect Cost [c]	Audit Recovery [a,d,e]		
					Total	Per Hour	Per Dollar of Cost
1982–83	22,004	946,621	43.0	$38,566,000	$205,876,000	$217.48	$5.34
1981–82	23,251	942,165	40.5	36,219,000	174,400,000	185.11	4.82
1980–81	24,869	989,789	39.8	37,730,000	168,268,000	170.00	4.46
1979–80	24,768	907,522	36.6	29,524,000	136,425,000	150.33	4.62
1978–79	24,834	908,626	36.6	25,997,000	116,200,000	127.89	4.47

[a] Includes field billing order deficiencies based on a field investigation of a limited phase of the taxpayer's business.
[b] Includes the transmitted hours for re-audits and hours spent on field waivers.
[c] Includes overhead costs and a portion of the costs of other state agencies such as the Department of Finance and the State Personnel Board.
[d] Includes audit recovery arising from state-administered local taxes.
[e] Adjusted for estimated cancellations.
NOTE: The results for 1981–82 and 1982–83 exclude refund items. Prior year's results include refund items.

TABLE B

ANALYSIS OF BUSINESS TAXES FIELD AUDIT ACTIVITY FISCAL YEAR 1982–83

Tax Program	Number of Audits [a]	Number of Hours [b]	Hours Per Audit [a,b]	Audit Recovery [a,c,d]	
				Net Tax Deficiencies	Per Hour
Sales and Use Tax	21,052	919,601	43.7	$200,344,821	$217.86
Use Fuel Tax	735	14,298	19.5	1,954,965	136.73
Motor Vehicle Fuel License Tax	99	7,063	71.5	2,653,860	374.68
Alcoholic Beverage Tax	75	3,256	43.4	794,057	243.88
Cigarette Tax	43	2,383	55.4	127,845	53.65
Total Business Taxes	22,004	946,621	43.0	$205,875,548	$217.48

[a] Includes field billing order deficiencies based on a field investigation of a limited phase of the taxpayer's business.
[b] Includes the transmitted hours for re-audits and hours spent on field waivers.
[c] Includes audit recovery arising from state-administered local taxes.
[d] Adjusted for estimated cancellations.
NOTE: Refund items are not included.

Business Taxes Representative Roy Anderson answers a taxpayer's inquiry in the San Francisco District office.

Business Taxes Representative Nathalia Gulley reviews a collection letter in the San Jose District office.

activity. This direct personal contact is available as long as the business exists.

By the end of the 1982–83 fiscal year, the number of active business tax accounts registered with the Board were as follows: 683,953 sales and use tax permits; 56,464 use fuel tax accounts; 3,011 vendor use fuel tax accounts; 935 motor vehicle fuel tax accounts; 2,546 alcoholic beverage tax accounts; and 373 cigarette tax accounts. Despite a sluggish economy and record numbers of bankruptcies during the fiscal year, the number of sales and use tax accounts active on June 30, 1983 increased by 24,628 over the same date a year earlier.

The economic recession, and particularly the slowdown in taxable sales activity, resulted in a substantial reduction in the revenues which support state and local government operations. Therefore, the collection of delinquent taxes by the Board's compliance staff became more critical. During 1982–83, the Board recovered delinquent accounts receivable at the rate of $471 per each hour of collection time expended, a favorable cost-benefit ratio of 41 to 1.

Recent legislation requires all taxpayers with monthly tax liabilities exceeding $17,000 to remit their taxes on a quarterly reporting basis through two monthly prepayments plus a cleanup payment following the end of the quarter. The legislation specified an earlier due date (June 23) and increased the portion of tax liability for the second prepayment of the second quarter. The purpose of this legislation was to reduce the state general fund deficit at the close of the 1981–82 and 1982–83 fiscal years by accelerating the flow of sales tax revenues. Approximately 80,000 sales tax accounts have been affected by the legislation, including more than 20,000 monthly reporting accounts which were converted during 1982–83 to the quarterly prepayment basis.

In order to curb the misuse of sellers permits and resale certificates which provide a sales tax exemption to the holder under certain conditions, the Board in 1982 reinstituted a procedure to close out inactive accounts. Over 42,000 notices were sent to taxpayers who had reported no sales activity during 1982. As a result of these notices, 33,058 inactive accounts were closed.

Special compliance efforts were directed during the fiscal year toward collecting sales and use taxes due on out-of-state purchases by California businesses. A notice was mailed to all dentists in the state notifying them that if they purchase equipment or supplies from out-of-state vendors, they must pay tax on those purchases. As a result, nearly $250,000 in revenue was collected from this previously untaxed source which will continue to remit taxes in the future. Another statewide mailing was made to x-ray laboratories informing them that sales and use tax applies to x-ray equipment and supplies purchased out-of-state for use in California. At the end of the fiscal year, $21,000 in additional revenue had been received from this source.

Board staff gathers information from a variety of sources in the administration of the 6 percent use tax due on sales between private parties of vehicles, vessels, aircraft, and mobilehomes. The U.S. Coast Guard is the primary source of information on documented vessels, mainly the larger commercial ships and pleasure boats. The Board uses this information in its administration and collection of the use tax on documented vessels. Responsibility for the collection of use tax on most purchases of undocumented vessels was transferred to the Department of Motor Vehicles from the Board of Equalization, effective January 1, 1983.

Tax Auditor A. Lee Brown of the Inglewood office discusses an audit with the taxpayer.

The method of calculating the purchase price for use tax due on purchases of mobilehomes registered with the Department of Housing and Community Development was changed by Assembly Bill 2532. Effective January 1, 1983, the purchase price used for calculating use tax liability is based on recognized value guides as specified by Board of Equalization regulation, instead of the actual sales price. The purpose of this legislation is to make a clear distinction between the value of the taxable mobilehome and the nontaxable accessory items included in the sales price. Separate legislation effective January 1, 1983, provided for the voluntary conversion by the registered mobilehome owner from registration fees to local property taxation.

The Foreign Registration Violation Program, administered jointly by the Board, the California Highway Patrol and the Department of Motor Vehicles, investigates vehicles registered in other states by California residents, allegedly to evade California taxes. More than 5,000 cases of this type are investigated every month. Since May 1982 when the statewide program was begun, the Board and the Department of Motor Vehicles have collected $2.1 million in vehicle license fees and use tax from over 12,000 California residents with illegally registered vehicles. An additional $4.4 million in fees and taxes has been billed as a result of another 38,000 violations.

California Sales and Use Tax

Sales tax is imposed upon retailers at the rate of 6 percent for tangible personal property sold at retail. A retail sale is defined as a sale of tangible personal property for any purpose other than resale in the regular course of business. The use tax is imposed upon the storage, use or other consumption in this state of tangible personal property puchased from a retailer. For the most part, the use tax rather than the sales tax applies where the property purchased is shipped from an out-of-state point to a California consumer.

The tax rate for the sales and use tax is 6 percent, consisting of a 4.75 percent state tax and 1.25 percent state-administered city and county taxes. In the five transit districts that serve seven counties, an additional one-half of 1 percent tax is locally imposed and state-administered.

Although sales tax is levied on most retail sales and leases of tangible personal property, there are numerous exemptions. Major exemptions, resulting in a revenue loss of $10 million or more, include sales of the following: food for home consumption; gas, electricity, and water delivered through mains, lines, or pipes; aircraft sold to common carriers, foreign governments, or nonresidents; prescription medicines; animal life and feed, seeds, plants, and fertilizer; meals furnished by institutions; containers; candy and confectionery; new and used mobilehomes; leases of motion pictures and television films and tapes; custom computer programs; newspapers and periodicals; and student meals.

Persons in the business of selling tangible personal property which is subject to the sales tax must obtain a seller's permit from the Board for each place of business they operate. Manufacturers and wholesalers are included. No fee is charged, but the applicant may be required to furnish security to assure payment of the tax. The permit remains valid until it is returned by the owner for cancellation, or is suspended or revoked by the Board.

Most permit holders file tax returns quarterly, but the Board requires many taxpayers to file monthly or annually instead. Certain permit holders must prepay their liability by making two prepayments during each quarterly period, a total of three pay-

Supervising Tax Auditor Michael J. Carrari (left) discusses an audit problem with Inglewood District Principal Auditor Robert Imig.

ments for each quarter. Tax return forms are furnished by the Board and must be filed with a remittance of the amount due. During the 1982–83 fiscal year $7,795,554,000 in sales and use taxes were deposited into the state general fund.

Refunds are made to individuals or corporations who have overpaid their actual sales tax liability. Before any refunds are processed, however, the Government Code authorizes the State Controller to offset any overpayment credit against any existing liability the recipient may have with another state agency.

City and County Sales and Use Tax

The Bradley-Burns Uniform Local Sales and Use Tax Law authorizes California counties to impose a 1.25 percent sales and use tax, and cities to impose a 1 percent tax. City sales and use tax is credited against county tax due, so that the combined rate does not exceed 1.25 percent.

Houston Auditors Kati Feng and Clarence Hansen discuss audit assignments.

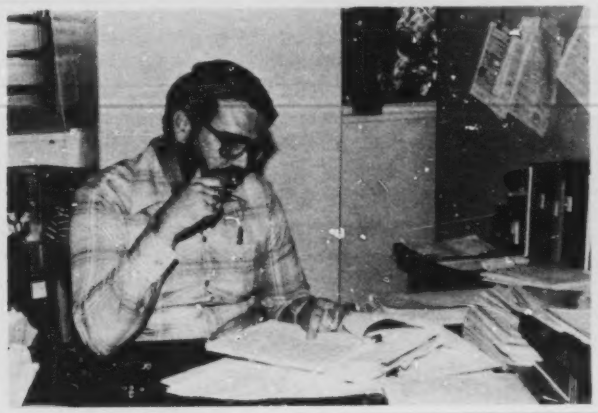
All California counties and cities have adopted an ordinance under the terms of this law. Each county and city is required to contract with the Board to administer the ordinance imposing the tax.

One of the most important functions performed by the Board in the administration of the Bradley-Burns Law is the allocation and distribution of funds to the proper local jurisdiction. Revenue distributions are based on the amount of taxable transactions within each jurisdiction during the quarter. To maintain cash flow to local governments, the Board distributes quarterly revenues to cities, counties, and transit districts on a monthly basis. The amount of each monthly payment is based on a percentage of the revenues distributed in the prior year's comparable quarter. A final "cleanup" payment is made following the tabulation of quarterly returns so that each city and county receives the exact amount of allocated funds to which it is entitled.

Tax Auditors Floraval Malasig and Steve Young return to the Chicago office after completing their field assignment.

In September 1982, the Board implemented a new formula for calculating advance monthly payments in order to accelerate the flow of sales tax revenues to local government. Under the accelerated schedule, the total advance payment was increased to approximately 95 percent of the total tax revenues collected in the prior year's like quarter—up from 90 percent under the old schedule. This amount is forwarded to cities, counties, and transit districts in

At a staff meeting in the New York office are (left to right) Supervising Tax Auditor Robert Bauer and Tax Auditors Marian Athy, John Feeley, and Charles DeFlorimonte.



In the Audit Evaluation and Planning Unit, Tax Auditor Randy Pace reviews the final draft of the unit's evaluation of a district audit program. Such evaluations provide an internal control to maintain uniformly high audit standards throughout the state.

Business Taxes Representatives Arla Little and John Woodbury discuss collection procedures on a bankruptcy case.

three installments—the first payment equaling 30 percent of the total; the second, 30 percent; and the third, 40 percent. Under the old schedule, payments were made in installments of 25 percent, 25 percent, and 50 percent of the 90 percent total. The new schedule does not increase total tax revenues, but has resulted in local governments receiving about $250 million in revenue an average of 45 days earlier during the course of a year, providing them the opportunity to earn additional interest on their tax revenues. For the fiscal year 1982–83, the Board distributed $2,304,115,000 in local tax revenues to the cities, counties, and transit districts.

As part of the Board's program to administer the Bradley-Burns Law, records are made available for examination by local tax officials to confirm the accuracy of revenues distributed by the Board.

Sales are considered to occur at the place of business of the retailer unless the property is delivered by the retailer, his agent, or by common carrier to an out-of-state destination. This determination assures the proper distribution of funds by the Board, since revenue is allocated to a city, county, or transit district according to the place of sale or use.

County Transit District Sales and Use Taxes (Transactions and Use Taxes)

The San Francisco Bay Area Rapid Transit District, Santa Clara County Transit District, Santa Cruz Metropolitan Transit District, Los Angeles County Transportation Commission, and San Mateo County Transit District currently impose transactions and use taxes at the rate of one-half of 1 percent.

The transactions and use tax in San Mateo and Los Angeles Counties went into effect July 1, 1982. Seven California counties, encompassing more than half the state's population, now impose a tax of that nature. Those counties are: Alameda, Contra Costa, San Francisco, Santa Clara, Santa Cruz, San Mateo, and Los Angeles.

The provisions of the transit district transactions and use tax laws are similar to those of the local sales and use tax laws with certain exceptions. The district transactions tax does not apply to sales of property made to purchasers for use outside the district. The obligation to collect a transit district use tax is limited to retailers engaged in business with the district. Also, the transactions tax does not apply if a seller is required to sell property pursuant to a contract for a fixed price entered into prior to the date the transit district tax became effective.

The Board administers the ordinances imposing transit district taxes and transmits the amount collected to the district. In 1982–83, the Bay Area Rapid Transit District received $62,894,000; the Santa Clara County Transit District, $53,652,000; the Santa Cruz Metropolitan Transit District, $5,487,000; the Los Angeles County Transportation Commission, $172,486,000; and the San Mateo County Transit District, $14,853,000. Revenues from this tax are used by the transit districts to fund local public transportation systems.

Use Fuel Tax

Diesel fuel, liquefied petroleum gas, liquefied natural gas, compressed natural gas, ethanol, and methanol are taxed under the Use Fuel Tax Law. The latter two fuels became taxable under the Use Fuel Tax Law January 1, 1982.

This tax is imposed upon the use of fuel to propel motor vehicles, and must be collected by vendors who place the fuel into the fuel tank or any receptacle on a motor vehicle from which fuel is supplied for the propulsion of the vehicle.

The rate of tax is 9 cents per gallon of diesel and similar fuels; 6 cents per gallon of liquefied petroleum gas and liquid natural gas; 7 cents per 100 cubic feet of compressed natural gas, measured at standard pressure and temperature; and 4½ cents per gallon on ethanol or methanol. The tax on diesel increased to 9 cents per gallon as of January 1, 1983.

The owner or operator of a vehicle propelled by a system using liquefied petroleum gas, liquid natural gas, or compressed natural gas may pay an annual flat rate fuel tax based on the type or weight of the vehicle instead of the gallon rate.

A person who sells fuel and places it into the fuel tank of a motor vehicle is a "vendor" and must collect tax from the user. Every vendor and user, except a person whose fuel is purchased tax-paid from a vendor and used in a privately operated passenger vehicle, and under certain conditions a privately operated rental truck, must obtain a permit from the Board and deposit the required security.

The Board collected a total of $93,271,000 in use fuel taxes and fees for 1982–83. There were 56,464 user use fuel and 3,011 vendor use fuel permits in force as of June 30, 1983.

Motor Vehicle Fuel License Tax (Gasoline and Aircraft Jet Fuel)

The motor vehicle fuel (gasoline) tax is imposed on the first distribution of fuel in this state and is paid to the Board primarily by refineries and importers. Prior to January 1, 1983, the tax was 7 cents per gallon, a rate in effect since 1963. Effective January 1, 1983, the rate increased to 9 cents per gallon. Revenues from the Motor Vehicle Fuel License Tax are earmarked for highway construction and maintenance.

As a result of the tax rate increase, a one-time storage tax of 2 cents per gallon was imposed on every person owning 1,000 gallons or more of gasoline or gasohol on January 1, 1983, except duly licensed distributors, the Government of the United States, or any agency thereof, the State of California or any of its cities, counties, or other political subdivisions. The total revenue generated from this storage tax amounted to $3,456,000.

Under the Motor Vehicle Fuel License Tax Law, gasohol, which is a motor vehicle fuel composed of a blend of motor gasoline and not less than 10 percent alcohol, is taxed at the same rate as gasoline. There

In the Arcadia District, Stock Clerk Richard Deschwanden keeps the office supplied with the necessary forms, taxpayer guides, and office supplies.

Office Assistant Marilyn Goulding shelves one of the more than 750,000 tax account files maintained in the Central File Unit at Board headquarters.

is, however, a limited exemption from sales and use taxes on the sale or use of gasohol. The exemption diminishes each year and will expire January 1, 1984. For the calendar year 1983, the exemption will apply to the amount of gross receipts that would result in a sales or use tax exemption of 3 cents per gallon. During calendar year 1982, the partial sales and use tax exemption applied only to the amount of gross receipts subject to tax that would result in a sales or use tax exemption of 4 cents per gallon. The total number of gallons of gasohol reported as sold by distributors during fiscal year 1982–83 was 555 million gallons, an increase of 282 million gallons from 1981–82.

The total motor vehicle fuel tax reported on gasoline, including gasohol, for fiscal year 1982–83 amounted to $880,586,000 and is an increase of 14.3 percent from 1981–82. A total of 10.94 billion gallons were distributed in the state during 1982–83, a decrease of 1.1 percent from 1981–82.

The total aircraft jet fuel tax collected at the rate of 2 cents per gallon for fiscal 1982–83 was $703,000 on distributions of 37.5 million gallons, an 18.3 percent revenue decrease from 1981–82.

The tax on aircraft jet fuel is paid primarily by private corporations which operate private jets. Sales to the major users of jet fuel—common carriers, the United States Armed Forces, and persons engaged in constructing or repairing aircraft—are exempt from the jet fuel tax.

Management Analysis Chief Allan Stuckey (left) and Local Tax Unit Supervisor Keith Christensen discuss space management plans for the offices' shared word processing facilities.

Cigarette Tax

The cigarette tax is imposed on distributors of cigarettes at a rate of 5 mills ($0.005) per cigarette, which

In the Account Reference Unit, Office Services Supervisor Betty Walker (left) trains Office Technician Larri Coughlin in procedures for searching payment records to clear a taxpayer's delinquency listing.

equals 10 cents per pack. The liability for the tax accrues primarily at the wholesale level of distribution. The cigarette tax rate has remained unchanged since October 1, 1967. The cigarette tax was first imposed at a rate of 3 cents per pack on July 1, 1959, with all revenues going to the state. The rate was increased to 7 cents per pack on August 1, 1967. Two months later, on October 1, 1967, the rate was raised from 7 cents to 10 cents per pack, with the additional three cents earmarked for local government. The cities' and counties' 30 percent share of cigarette tax revenues is allocated by the State Controller, after deduction of local governments' share of administrative costs.

Cigarette distributors obtain unstamped cigarettes from manufacturers who maintain stocks in public warehouses in California. All cigarettes acquired by each distributor must be accounted for in reports to the Board. The cigarette tax is collected primarily through the sale of tax stamps and meter units which must be affixed by the distributor to the bottom of all cigarette packages. The tax-paid indicia are sold through convenient outlets of a major California bank which has contracted as an agent for the Board. Taxes on the distribution of sample cigarettes may be paid directly to the Board by the manufacturer.

Although the cigarette tax is levied on most sales or consumption of cigarettes, there are some exemptions from the tax. Principal exemptions include sales to the exchanges and commissaries of the United States Army, Air Force, Navy, Marine Corps, Coast Guard, and Navy or Coast Guard ships' stores, to the United States Veterans Administration, the Veterans Canteen Service which services the Veterans Administration Hospitals, and stores on Indian reservations.

Total cigarette tax revenues during 1982–83 amounted to $271,621,000, a decrease of 1.9 percent

Amelia Abeyta, Office Assistant in the Excise Tax Unit, files Emergency Telephone Users Surcharge tax returns. Telephone service suppliers collect the tax on intrastate communications. Revenues fund the "911" emergency telephone systems.

from the prior fiscal year. Cigarette tax revenues are deposited in the state treasury to the credit of the cigarette tax fund. Thirty percent of this revenue, less the cost of administration, is returned to local governments. Distribution to cities and counties is based on the formulas used to allocate state-administered local sales and use taxes. During the 1982–83 fiscal year, local government's share totaled $81,486,000.

Alcoholic Beverage Tax

Excise taxes on alcoholic beverages are paid by manufacturers, blenders, rectifiers, wholesalers, and importers of distilled spirits, beer or wine. The issuance of an alcoholic beverage license by the Department of Alcoholic Beverage Control constitutes registration with the Board under the Alcoholic Beverage Tax Law.

The tax rate on distilled spirits is $4 per gallon for liquor over 100 proof and $2 per gallon for 100 proof and under. The tax is imposed upon distillers, rectifiers, importers, and wholesalers when the beverages are sold to retailers.

Still wine with an alcohol content of 14 percent or less is taxed at a rate of 1 cent per gallon, and 2 cents per gallon if it contains over 14 percent alcohol. Sparkling wines and champagnes are taxed at 30 cents per gallon, while beer is taxed at 4 cents per gallon. The tax on beer and wine imported into California is due when it arrives in the state. All beer and wine produced within California is subject to tax upon removal from internal revenue bond, when the federal taxes are paid.

The tax on alcoholic beverages is based on gallonage and therefore revenues are not affected by inflationary trends except to the extent that consumption may be affected by price. Increases in consumption are attributable both to a growing population and increasing per capita consumption. Per capita consumption of alcoholic beverages in California for 1982–83 was 24 gallons of beer, 4.5 gallons of wine, and 2.2 gallons of distilled spirits.

The tax rate on all wine was established at 2 cents per gallon shortly after the repeal of Prohibition. The current rate structure on wine has been in effect since July 1, 1937, on beer since July 1, 1959, and on distilled spirits since August 16, 1967.

The Board collected $136,209,000 in alcoholic beverage tax revenues in the year 1982–83. This represented a 2.4 percent decrease from 1981–82.

Insurance Tax

The insurance tax is primarily a gross premiums tax levied upon premiums received from business done in California. The only exception to this is the tax on ocean marine insurance which is computed on underwriting profits. The insurance tax is levied against insurance companies in lieu of all other taxes except license fees and taxes on real estate. Out-of-state insurers are assessed an additional retaliatory tax if the tax rate in their state of domicile is higher than California's tax rate.

Senate Bill 1326, enacted June 30, 1982, changed portions of the Revenue and Taxation Code with respect to insurance tax. It lowered the gross premiums tax rate for calendar years 1982 through 1985 to 2.33 percent from 2.35 percent, except that premiums derived from annuities and profit sharing plans which qualify under certain sections of the Internal Revenue Codes are taxed at 0.5 percent. In addition to reducing the tax rate, this bill (1) requires four

In the Excise Tax Unit, Auditor Joan Roberts and Office Assistant Clayton Beckwith review common carrier reports of shipments of alcoholic beverages into California.

prepayments per calendar year instead of three as in past years; (2) changes the amount of each prepayment to 25 percent of the tax liability of the preceding calendar year instead of 26.5 percent of the tax liability of the preceding calendar year as in past years; (3) for calendar year 1983 only, required a fifth prepayment due January 1, 1983 in the amount of 25 percent of the 1981 tax liability; and (4) does not allow credit interest on overpayment of taxes if refunded or credited within 90 days after the due date of the tax for the year in which overpayment was made.

The following table summarizes assessments by type of insurer for the last four years:

INITIAL INSURANCE TAX ASSESSMENTS

(in Thousands)

Type of Insurer	*1979*	*1980*	*1981*	*1982*	*Percent Changes 1982–81*
Fire & Casualty	$267,454	$280,940	$294,894	$300,106	+1.8
Life	151,838	156,996	167,932	181,816	+8.3
Title	7,702	6,598	6,493	6,103	−6.0
Ocean Marine	100	146	225	184	−18.2
Total	$427,094	$444,680	$469,544	$488,209	+4.0

Emergency Telephone Users Surcharge

The Legislature has mandated that by December 31, 1985, a statewide 911 emergency telephone assistance program is to be fully operational. After that date, a person requiring police, fire, medical, or rescue assistance should be able to dial 911 from anywhere within California to receive help. Pay phones will not require the use of a coin to dial the 911 emergency number. Of the 350 systems contemplated, 146 were in operation by July 1, 1983. An estimated 132 additional systems will become operative during the 1983–84 fiscal year.

In the Audit Control Unit, Account Clerk Phil Schreiman uses an electronic accounting machine to prepare a transcript of a taxpayer's previous returns for use by a Board auditor.

By the end of the 1982–83 fiscal year, 911 emergency telephone systems were in operation in 32 California counties. Those counties are Alameda, Alpine, Colusa, Del Norte, Glenn, Inyo, Kings, Lake, Lassen, Madera, Mariposa, Modoc, Mono, Monterey, Nevada, Orange, Placer, Plumas, San Benito, San Diego, San Francisco, Santa Barbara, Santa Cruz, Shasta, Sierra, Solano, Stanislaus, Sutter, Tehama, Tuolumne, Ventura, and Yuba. The state's largest 911 system is scheduled to be in place in Los Angeles County by January 1984. Other counties with new 911 systems at the beginning of 1984 include Amador, Contra Costa, Napa, and San Luis Obispo.

To provide funds for the implementation and operation of the 911 emergency telephone system, the Emergency Telephone Users Surcharge Law provides for a surcharge on charges for intrastate telephone communication services. The surcharge is currently imposed at the rate of one-half of 1 percent of the charges of the intrastate telephone services. Every telephone service supplier is required to collect the surcharge from the telephone user at the same time billings for services are collected. The service suppliers are registered with the Board of Equalization and are required to remit quarterly to the Board the surcharge they have collected.

The State Department of General Services establishes minimum technical and operational standards, provides consultation services, and approves and recommends the funding necessary to implement and operate each system. Additionally, the Department must determine annually the rate it estimates will produce sufficient revenue to fund the 911 program. The Department notifies the Board if a new rate is required as it is the Board's responsibility to fix the new rate and notify the telephone companies accordingly. The rate may not be less than one-half of 1 percent and not more than three-quarters of 1 percent.

Surcharge revenue collected during fiscal year 1982–83 totaled $23,057,000. This was a 15.0 percent increase over the previous fiscal year.

Energy Resources Surcharge Law

The Energy Resources Surcharge Law was enacted, effective January 1, 1975, to fund the activities of the State Energy Commission, whose purpose is to (1) provide for forecasting and assessment of energy demands and supplies and for conservation of energy resources by designated methods; (2) require that power sites and facilities be certified by the Commission; (3) develop and coordinate a program of research and development in energy supply, consumption and conservation and the technology of siting facilities; and (4) provide for development of

contingency plans to deal with possible shortages of electrical energy or fuel supplies.

The energy resources surcharge is collected from the consumers of electrical energy primarily by the 52 electric utilities operating within California.

In addition, there are 27 public institutions, water districts, and irrigation districts who remit the surcharge for electrical energy they purchase directly from the federal government for their own consumption. These electric utilities, public institutions, water districts, and irrigation districts remit the surcharges to the Board quarterly.

The Board in the past was required to set the surcharge rate by February 1 of each year for application during billing periods starting on or after March 1. The rate was set at a value estimated to produce sufficient revenues to fund the expenditures authorized in the Governor's budget for state energy resources conservation and development. However, Senate Bill 1613 was passed in September 1982 which required the Board to establish the surcharge at the maximum authorized rate. The maximum rate authorized, which is two-tenths of a mill per kilowatt-hour, has been in effect since September 1, 1981.

Surcharge collections during fiscal year 1982–83 were $30,729,000, a decrease of 0.9 percent from the previous fiscal year.

Hazardous Waste Tax

The Hazardous Waste Tax (or fee) is imposed on every person who operates a facility for the disposal of hazardous wastes or who disposes of hazardous wastes on premises owned or controlled by that person. Each site is required to be registered with the Board and the site operator must file a monthly report on the quantities of hazardous waste disposed of at that facility.

The tax rate was increased from $1 to $4 per ton, effective July 1, 1982. The total amount collected during the fiscal year was $5,468,653. These funds were deposited in the state treasury to the credit of the hazardous waste control account in the general fund to finance the Hazardous Waste Management branch administered by the Department of Health Services.

Hazardous Substance Tax

The Hazardous Substance Tax, generally known as the state "superfund" tax, is imposed on the generators of hazardous wastes who dispose of the substances in California. Each generator is required to be registered with the Board and must file an annual report by March 1 detailing the hazardous wastes disposed of in the preceding calendar year.

The report must show the total tonnage of wastes disposed of by four categories based on the nature of the substance. A recapitulation of the data reported is made by the Board and a certification of the total hazardous wastes disposed of in each category must be made to the Governor by April 15.

Data from the annual hazardous waste disposal reports are the basis on which the Board computes the basic tax rate, using the formula prescribed by law. The rate is applied to tonnage of wastes reported to produce the $10 million superfund. Tax assessments are made on each generator by May 1 applying the tax rate to quantities of wastes reported. The assessments must be paid by July 1. These monies are deposited in the general fund and credited to the hazardous substance account. The funds are matched by the United States Government to create a "superfund" to finance the cleanup of spills and abandoned dumpsites.

In 1982–83 several legislative amendments had a significant effect on the annual tax collections. Assembly Bill 69 provided that hazardous wastes disposed of into injection wells in 1981 be taxed at 26.4 percent of the basic tax rate. This resulted in several substantial reductions in assessments for that reporting year. The bill also establishes a "state account rebate" which mandates rebate of amounts collected in excess of the $10 million superfund limit.

Assembly Bill 110 provided that hazardous wastes disposed of into injection wells or landfarms be reported in a different category which is taxed at 15 percent of the base rate beginning with the 1982 calendar year hazardous wastes disposal reports. This significantly lowers the taxes on wastes disposed of by these methods.

An audit program was in the development stages during this fiscal year. At the beginning of 1983, auditors began conducting field audits and investigations statewide. This program has resulted in locating numerous unlicensed taxpayers and substantial underpayments of tax. Board staff has worked closely with the Department of Health Services and the Water Quality Control Board regional offices in developing data for administering these programs.

Tax Auditors Don Jackson (left) and Bob O'Neill (right) review a Hazardous Waste Tax audit with program Administrator Bob Hocking.

Business Taxes Legislation

During the second half of the 1981–82 session, the Legislature enacted a number of bills of significance to the Board's business taxes operations. Following is a brief summary of that legislation, including bill number, chapter number, and date signed by the Governor.

AB 69—Chapter 1244—September 21, 1982
Hazardous Substance Tax Law Clarified

This is a cleanup bill for the Hazardous Substance Tax. Among other things, this bill:

Requires that the amount of hazardous waste reported to the Board be the total weight measured in tons of all components of the waste in the form in which the waste existed at the time of submission for disposal or transferral to a surface impoundment.

Clarifies that the amount of the Hazardous Substance Tax, which can be collected each year, is $10 million less any unobligated balance carrying over from the previous year.

Subjects hazardous wastes disposed of into an injection well, as defined, during the 1981 calendar year, to a tax rate that does not exceed 26.4 percent of the base tax rate calculated pursuant to specified provisions, in order to resolve the question as to the appropriate amount of tax to be paid by those operating injection wells. See also AB 70, Chapter 496 and AB 3669, Chapter 1205.

AB 70—Chapter 496—July 12, 1982
Persons Subject to Hazardous Substance Tax Must Register with the Board of Equalization

Made several technical amendments to the Hazardous Substance Tax Law. One of the more important amendments requires operators of a hazardous waste facility, persons who dispose of hazardous waste on premises they own or control, or persons who submit hazardous wastes to others for disposal, to register with the Board in addition to registration with the Department of Health Services.

This act also exempted from hazardous waste taxes or fees any state or local agency, or its contractor, who removes or remedies a release of hazardous waste by another person. The exemption only applies to the hazardous waste so removed by the local or state agency. The person responsible for the release of hazardous waste which has been removed in this manner is subject to tax on such hazardous waste.

To the extent that AB 69 and AB 70 amend the same sections, AB 69 shall prevail because of higher chapter number.

AB 110—Chapter 5—March 21, 1983
Hazardous Wastes Tax Rate Reduced for Disposals into Injection Wells

Provides that hazardous wastes disposed of into injection wells or landfarms be reported in a different category than heretofore. Such wastes will be taxed at 15 percent of the base rate beginning with the 1982 calendar year hazardous wastes disposal reports, a significant reduction of the tax on wastes disposed of by these methods.

ACR 143—Chapter 164—September 2, 1982
Sales and Use Tax Imposed on Sale of Illegal Drugs

This measure directed the Board to compute, determine, and collect sales and use tax required to be paid in connection with the illegal sale of narcotics and other illegal drugs when the Franchise Tax Board makes an assessment.

The Board is required to report to the Legislature by January 1, 1984 on the revenues derived from, and the cost of collecting sales and use tax from, such illegal activities, and to recommend whether the program should continue.

AB 703—Chapter 107—March 9, 1982
Modifies Sales Tax Exemption Requirements for New Trailers

Amended Section 6388.5 of the Sales and Use Tax Law to allow the exemption for the sale of new trailers or semitrailers manufactured in California, when they are driven to a point outside this state within 75 days from the date of delivery, provided that the other requirements specified by this section are met. Previously, the exemption did not apply unless the new trailer or semitrailer was driven outside this state within 30 days from the date of delivery. The requirements for the exemption for the sale of new trailers or semitrailers manufactured outside California were not changed.

AB 707—Chapter 1364—January 1, 1983
Statutes Governing Enforcement of Judgments Revised

Made substantial and comprehensive revisions to the statutes governing the enforcement of judgments pursuant to the Code of Civil Procedures. The areas affected are (1) the period for enforcement and renewal of judgments; (2) costs of enforcements of judgments; (3) interest on judgments; (4) service of writs, notices, and other papers; (5) forms; (6) execution; (7) exemptions; and (8) enforcement liens.

The effect of this bill is to modernize the various property values and exemptions specified by law and to streamline procedures relating to the execution of judgments by the general public or state tax agencies. The bill affects all business tax programs administered by the Board.

Numerous conforming and corresponding changes to facilitate full implementation of this act are contained in Assembly Bill 798 (1982), Chapter 497.

AB 755—Chapter 665—January 1, 1983
Department of Motor Vehicles to Collect Use Tax on Undocumented Vessels

Added Section 6294 to the Sales and Use Tax Law to authorize the Department of Motor Vehicles (DMV) to collect on behalf of the Board, the use tax on the sale of an undocumented vessel upon transfer of registration, if the vessel is sold at retail by other than a person holding a seller's permit and regularly engaged in the business of selling vessels.

This act also added Section 9858.5 to the Vehicle Code to allow any licensed yacht and ship broker to collect use tax on a vessel transfer and transmit the use tax and registration application to DMV, or to submit the registration application and applicable fees to DMV for collection of any use tax due.

The Board and DMV are required to enter into an agreement for the collection of use tax on private party sales of undocumented vessels.

AB 798—Chapter 497—January 1, 1983
Revision of Statutes Regarding Enforcement of Judgments

Provided conforming and corresponding changes in various codes regarding enforcement of judgments as revised by Assembly Bill 707 (1982), Chapter 1364.

Additionally, this act provided for the redemption of real property sold after a decree of foreclosure where a deficiency judgment was ordered against a defendant and eliminates the right of redemption for real property sold on execution pursuant to Section 32373 of the Alcoholic Beverage Tax Law.

This bill affects collection procedures for all business tax laws administered by the Board.

AB 2314—Chapter 406—July 7, 1982
Consumer Cooperatives Membership Fees Not Subject to Sales and Use Tax

Added Section 6011.1 and 6012.1 to the Sales and Use Tax Law to exclude from the definition of "sales price" and "gross receipts" the value of initial or periodic membership fees and the value of labor performed in lieu of membership fees, which are related to the sale of tangible personal property by consumer cooperatives. Such exclusion does not permit consumer cooperatives to exclude from the "sales price" or "gross receipts" the cost of the property sold.

AB 2332—Chapter 1198—January 1, 1983
Revisions to Attachment Law Affect Business Taxes Collection Procedures

Made substantive revisions to the Attachment Law, and conforms the Attachment Law with the Enforcement of Judgments Law as amended by Assembly Bill 707 (1982), Chapter 497. The Attachment Law substantively affected by this act includes (1) manner of service; (2) amount secured by attachment; (3) dwelling exemption; (4) property subject to attachment; (5) levy procedures; (6) attachment by registered process server; (7) examination of third person; and (8) review of issuance of attachment.

Also made numerous changes to existing law relative to an attachment lien, the rights and liabilities of third persons after levy, and creditor's suit.

Revisions made by AB 2332 affect collection procedures for business taxes administered by the Board.

AB 2519—Chapter 684—January 1, 1983
Authorization to Adopt and Enforce Regulations for Tax on Insurers

Added Section 13170 to the Tax on Insurers to authorize the Board, the Insurance Commissioner, and the Controller to each prescribe, adopt, and enforce rules and regulations relating to the administration and enforcement of the Tax on Insurers for which the agency has a constitutional or statutory responsibility.

AB 2532—Chapter 1591—September 30, 1982
Value Guides for Used Mobilehomes Will Be Used in Determining Value for Application of Sales and Use Tax

Amended Section 6012.2 and 6276.1 of the Sales and Use Tax Law to provide that the gross receipts or sales price of a used mobilehome, sold in a brokerage or private party transaction, must be based on the current value as determined by a recognized value guide. The Board is required to approve by regulation recognized value guides for use in determining the current value of used mobilehomes. The use of value guides will remain in effect until January 1, 1987, unless statutorily repealed or extended. If it is repealed on January 1, 1987, the law as it existed prior to January 1, 1983 will again become effective.

The Board is required to report to the Legislature by January 1, 1985 on the fiscal effects of this act on state and local revenues.

AB 2619—Chapter 708—September 7, 1982
Sale of New Clothing for Children to Certain Nonprofit Organizations Is Exempt from Sales and Use Tax

Added Section 6375.5 to the Sales and Use Tax Law to exempt the sale to or use by a nonprofit organization of new clothing for children, which is distributed without charge by the nonprofit organization to elementary school children principally as a matter of assistance to recipients in distressed financial condition. Also, under AB 2619:

Retailers Must Return Excess Sales Tax to Their Customers or the State

Added Section 6901.5 to the Sales and Use Tax Law to provide for enforcement procedures to be used when retailers collect excess tax reimbursement. With the addition of this section, a seller who incorrectly collects excess tax reimbursement must return such excess tax to the customer. This procedure applies in all cases of excess tax reimbursement, including situations where a seller incorrectly collects tax reimbursement based upon an amount that is not taxable, an amount that is in excess of the taxable measure, or an incorrect tax rate is applied to a transaction. If the seller fails to return the excess tax reimbursement to the customer, such amount must be paid to the state. However, the amount remitted to the state will be credited against any taxes due on the same transaction upon which the excess tax reimbursement was computed. The balance, if any, will constitute a debt to the state. The act declares that this procedural change affects all applicable pending proceedings.

AB 2656—Chapter 700—January 1, 1983
Amount of Overpayment Applicable to State Taxes Increased

Amended Section 16302.1 of the Government Code to increase the amount of overpayment from $5 to $10 which may either be applied to any other taxes, penalty, interest, license or other fees, or any other amount due the state from such persons, or be deposited on order of the Controller as revenue in the fund in the state treasury into which such collection is required by law to be deposited.

AB 2871—Chapter 951—January 1, 1983
Services Connected with Production of Master Records or Tapes Are Not Subject to Sales and Use Tax

Amended Section 6362.5 of the Sales and Use Tax Law to clarify existing law by providing that amounts paid for furnishing master records or master tapes do not include services rendered in producing, fabricating, processing, or imprinting such property or any other services or production expenses in connection therewith.

This act is declaratory of existing law and affects all applicable pending proceedings.

AB 2932—Chapter 1274—September 21, 1982
Custom Computer Programs Exempted from Sales and Use Tax

Exempts from the sales and use tax the sale or purchase of custom computer programs. Provides that the act is declaratory of existing law which makes the exemption effective July 1, 1972. Provides for refund procedures and limits the total amount of refund to $1.2 million. Provides that the claims for refunds must be filed by December 15, 1982 and make certain segregations with respect to the claims. Any person who fails to file a claim by December 15, 1982 shall have no right to a refund.

Also requires the Board to notify annually the computer industry of the application of the Sales and Use Tax Law to automatic data processing services and equipment and other related items. Such notification is to be made through trade magazines, periodicals, and other publications devoted to and published for the computer industry. This requirement is applicable until January 1, 1986.

AB 3114—Chapter 664—January 1, 1983
Grandparents Added to Family Member Exemption from Sales and Use Tax on Certain Personal Property Sales

Amended Section 6285 of the Sales and Use Tax Law to extend the existing exemption for sales between family members of a motor vehicle, mobilehome, commercial coach, aircraft, or vessel by a person to his or her grandparent, provided the seller-owner is not engaged in business of selling the type of property for which the exemption is claimed.

AB 3195—Chapter 1589—January 1, 1983
Various Technical Changes to Business Taxes Laws Administered by the Board of Equalization

Made clarifying and technical changes to various existing laws in the Revenue and Taxation Code which are administered by the Board of Equalization. Among other things, the bill: authorizes the Board to secure information from a financial institution as to the amount of security interest the institution has in an asset owned by a tax debtor; allows the lessor to consider a lease tax-paid if he can show that sales tax reimbursement was paid to the retailer whether or not the retailer paid the tax to the state; modifies the exemption for the California Pollution Control Financing Authority; clarifies that the application of the 10 percent penalty against a person who knowingly issues resale certificates while not actively engaged in business as a seller, is in addition to any other penalties which are imposed; defines "aircraft" as any contrivance designed for powered navigation in the air except a rocket or missile; extends the prescription medicine exemption to insulin syringes and drug infusion devices. This act also indefinitely extends the exemption for prosthetic and orthotic devices, ostomy appliances and wheelchairs, and other similar devices.

This measure also excludes operators of light trucks which use diesel fuel from the requirement of registering with the Board and obtaining use fuel permits if the operator purchases all its diesel tax-

Program Technician Bea Ann Gallagher of the San Mateo office brings the morning mail back from the Post Office.

paid from a vendor. This exclusion does not apply if the operator maintains a bulk storage facility. Persons who sell liquefied petroleum gas only to those who have paid the annual flat rate fuel tax no longer need a use fuel vendor's permit. Provides that, with respect to the local option gasoline tax to be collected by the Board, the Board will transmit the total county revenues to the county and the county will be responsible for distributing the revenues in accordance with the allocation agreement, rather than have the allocation made by the Board.

AB 3647—Chapter 1553—January 1, 1983
Leases or Transfers of Rapid Rail Transit Systems by California Rail Financing Commission Are Exempt from Sales and Use Taxes

Added Section 92309 to the Government Code to exclude from the definition of "sale" and "purchase" any lease or transfer of title of tangible personal property constituting a "rapid rail transit system" by a participating party to the California Passenger Rail Financing Commission, or any lease or transfer of title of tangible personal property constituting a "rapid rail transit system" by the California Rail Financing Commission to any participating party.

AB 3669—Chapter 1205—January 1, 1983
Local Health Officers and County Agricultural Commissioners Exempt from Hazardous Waste Tax

Added Section 25345.5 to the Health and Safety Code to exempt local health officers and county agricultural commissioners from the hazardous waste tax, providing they conduct voluntary collection programs; the total quantities collected from all sources are limited to 1,000 kilograms or less per month; and they comply with certain other requirements of the Health and Safety Code.

AB 3696—Chapter 1252—January 1, 1983
Eliminates Penalty on Hazardous Waste Taxes Due Before September 25, 1981

Added Section 43005.5 to the Hazardous Substances Tax Law to exempt from the imposition of penalty the hazardous waste tax and fees which were due on disposal of hazardous waste disposed prior to September 25, 1981.

SB 118—Chapter 1423—September 26, 1982
Medical Oxygen Delivery Systems Are Exempt from Sales and Use Tax

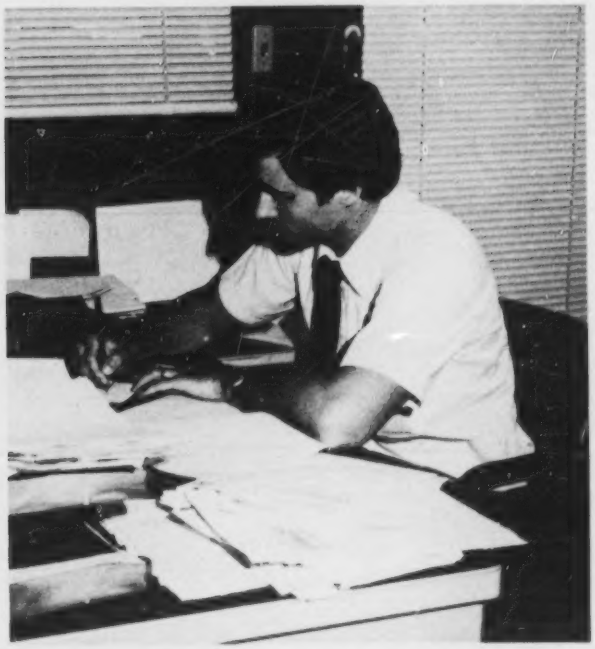
Added Section 6369.5 to the Sales and Use Tax Law to exempt the sale or use of medical oxygen delivery systems, including but not limited to, liquid oxygen containers, high pressure cylinders, and regulators, when sold, leased or rented to an individual for his or her personal use as directed by a physician. This exemption will remain in effect until December 31, 1984, unless statutorily extended or deleted.

SB 551—Chapter 1223—September 21, 1982
Sales and Use Tax Exemption for New Trailers Extended to Out-Of-State Use

Amended Section 6388.5 of the Sales and Use Tax Law to extend the exemption to new trailers and

Program Technicians Janeece Brown (left) and Elena Angeles discuss registration procedures at the taxpayer interview desk in the Arcadia District office.

semitrailers used in foreign commerce, or used in interstate commerce and foreign commerce. The other requirements of the exemption and documents required to be furnished by the purchaser to the manufacturer or dealer as amended by Assembly Bill 703 (1982), Chapter 107 were not revised. Previously, the sales tax exemption did not apply if the new trailer or semitrailer was to be used in foreign commerce.



Ken Pfeiffer, Tax Representative in the Ontario office, prepares a reinstatement document for a taxpayer whose permit had been revoked.

SB 1252—Chapter 301—June 22, 1982
Sales by producers of Diagnostic X-Ray Films and Photographs are Exempt from Sales and Use Tax

Amended Section 6020 of the Sales and Use Tax Law to provide that producers of photographs, in addition to producers of x-ray films, are not retailers, but rather consumers of materials and supplies used in the production thereof.

The amendment also clarified that producers of x-ray films and photographs are only consumers when the x-ray films or photographs are used for diagnosing medical and dental conditions of human beings, and not when they are used for purely cosmetic purposes. Previously, this section provided the exemption only to producers of x-ray films used for purpose of diagnosis.

Office Assistant Marlene Hutchinson maintains taxpayer account files in the Hollywood District office.

SB 1293—Chapter 1168—January 1, 1983
Rummage Sales by Nonprofit Museum Auxiliary Groups Exempt From Sales and Use Tax

Added Section 6370.5 to the Sales and Use Tax Law to provide that nonprofit associations and equivalent organizations performing auxiliary services to any city or county museum within the state, which are authorized to operate within the museum by the governing authority of the museum, are consumers of, and not retailers with respect to, tangible personal property which they sell at an annual rummage sale, provided they have held an annual rummage sale for at least five consecutive years immediately preceding such sale. The profits must be used exclusively in the furtherance of the purposes of the organization.

This bill also provides the following:

Senior Tax Representative Lynn Valencia and Office Assistant Terry Jesse discuss a billing in the Downey District office.

Method of Distributing the Optional Local Motor Vehicle Fuel Tax Revised

Legislation enacted in 1981 allows counties to impose a Local Motor Vehicle Fuel Tax subject to a two-thirds majority approval by the county's voters. Six counties placed a local two-cent-per-gallon gas tax on the November 1982 ballot, but the proposals were defeated in all counties.

SB 1293 amends Section 9505 of the Local Motor Vehicle Fuel Tax Law, altering the method of distributing revenues derived from any Local Motor Vehicle Fuel Tax which may gain voter approval. Net revenues must be transmitted to the counties, instead of allocated among cities and counties, at least twice each calendar quarter.

SB 1326—Chapter 327—June 30, 1982
Changes Sales and Use Tax Prepayment Provisions; Amends Tax on Insurers and Hazardous Substance Tax

This measure revised the changes to the sales and use tax prepayment provisions that were made by AB 8X and AB 1253 earlier in the 1982–83 legislative session. Provides for revisions to become operative based on a projection of the amount of the contingency reserve for economic uncertainties and the amount of reduced expenditures or increased revenues to be realized by June 30, 1983.

It also amends the tax on insurers to make substantive changes to prepayment due dates, amounts of prepayments, the threshold of refund amounts that would not require an approval from the Board of Control, and interest allowances on overpayments which are refunded or credited within 90 days after the due date of the tax.

It also makes a number of technical amendments to the Hazardous Substance Tax, including raising the monthly fee to $4 per ton effective July 1, 1982.

In the Ontario office, Tax Auditor Ray McCumber (seated) discusses his audit findings with office Administrator William Pitts.

Supervising Tax Auditor Bob Sayles and Tax Auditor Betty Wong discuss an audit procedure in the Downey District office.

SB 1399—Chapter 1067—January 1, 1983
Establishes Fixed Rate under Energy Resources Surcharge Law

Established a fixed surcharge rate under the Energy Resources Surcharge Law, on and after July 1, 1983, as the rate fixed by the Board which is in effect on that date. This act also repealed the provisions as of July 1, 1983 relating to the periodic establishment of such rate by the Board.

SB 1565—Chapter 794—January 1, 1983
Vehicle Code Requires Inclusion of Use Fuel Tax Permit Number in DMV Trip Permits

Amended Section 4004 of the Vehicle Code to require the temporary registration or trip permit issued by the Department of Motor Vehicles to include the use fuel tax permit number issued by the Board. The act also requires that the use fuel tax permit number be included in an application for the operation of commerical vehicles in interstate commerce.

Also amended Section 26 of the Vehicle Code to provide that the Commissioner of the California Highway Patrol may enter into an interagency agreement with the Board to enforce the statutes requiring commercial vehicles from foreign jurisdictions to have a use fuel tax permit and to make payments to the Board as required.

SB 1613—Chapter 1139—September 20, 1982
Energy Resources Surcharge Must Be Established at Maximum Rate

Required the Board of Equalization to establish the energy resources surcharge at the maximum authorized rate, 0.20 of a mill per kilowatt-hour.

Business Taxes Representative Cheryl Hronec answers a taxpayer's questions on the Use Tax due on his boat purchase.

SB 1662—Chapter 1500—September 27, 1982
Adds Partial Refund and Exemption for Paratransit Operators under Motor Vehicle Fuel License Tax Law

Clarified Section 8101.6 of the Motor Vehicle Fuel License Tax Law which provides a refund of 6 cents per gallon of the motor vehicle fuel license tax on gasoline, and Section 8655 of the Use Fuel Tax Law which allows a payment of 1 cent for each gallon of diesel fuel, used by private entities providing public transportation in vehicles other than buses, which are under contract or agreement with local government transit districts, or local bus transit operators.

The amendment to these sections makes it clear that the partial refund and exemption applies to paratransit-type operators who are under contract with local government agencies, taxi cabs with dial-a-ride agreements with local governments, ambulance companies with city/county agreements, and similar entities who have contracted with local governments to provide transportation.

This act is declaratory of existing law as it was effective January 1, 1979, and supersedes amendments to Section 8101.6 resulting from the enactment of Assembly Bill 3403 (1982), Chapter 762.

AB 28X—Chapter 10—February 17, 1983
Interest Rate and Prepayment Changes under Sales and Use Tax Law

Assembly Bill 28 of the First Extraordinary Session of the 1983–84 Legislature makes changes to the interest rate and sales and use tax prepayment return provisions and provides for possible future changes in the sales and use tax rate.

Under various existing state tax programs, the rate of interest paid on underpayments, overpayments, deficiencies, and other delinquent payments is an adjusted rate to be determined annually on the basis of the adjusted prime rate charged by banks during the month of September each year.

This bill requires the Franchise Tax Board to redetermine that rate twice a year and specifies that for the period beginning March 1, 1983, that rate is 16 percent per annum. The rate will be determined on the basis of the average adjusted prime rate charged by commercial banks during the six-month period ending September 30 (effective January 1 of the next calendar year) and March 31 (effective July 1 of the same calendar year). It also provides that, with respect to interest accruing after June 30, 1983, all interest, payable to or by the state for purposes of all business tax laws, the Personal Income Tax Law, and the Bank and Corporation Tax Law, is required to be compounded daily.

Existing Sales and Use Tax Law provides for prepayments of sales taxes in accordance with various specified schedules based on varying threshold amounts of estimated monthly tax liability of the persons liable for those prepayments. This measure further revises the prepayment provisions that were made by legislation in the 1982 legislative session. The revisions that become operative will be based on a projection of the amount of the contingency reserve for economic uncertainties and the amount of reduced expenditures or increased revenues to be realized by June 30, 1983.

Existing Sales and Use Tax Law imposes a state sales and use tax at a rate of 4¾ percent of gross receipts on the sale or use of tangible personal property in the state. This bill, in specified circumstances, increases for a period of time the state sales and use tax rate to 5¾ percent, reduces it to 4¾ percent for a specified period of time, thereafter reduces it to either 3¾ percent or 4¼ percent, as specified, and then restores it to 4¾ percent.

In the Occasional Sales Unit, Business Taxes Representative Wayne Boyer works on a collection case which ultimately resulted in a Use Tax payment of half-a-million dollars due on an aircraft purchase.

VII. THE SALES TAX

1933–1983

The sales tax was 50 years old on August 1, 1983. During the half-century of its existence, the sales tax has been the most successful revenue program in the history of California, producing a total of $102.79 billion in tax revenues for the state general fund. Starting with $46.2 million during its first year, receipts have increased steadily to a total this year of $10.45 billion in state and local sales tax revenues.

The sales tax was born out of necessity during the Great Depression of the 1930s. As that fateful decade began, California enjoyed a comfortable surplus in its treasury, but within two years, as economic conditions worsened, those funds dwindled and the state was plunged into a deficit.

To cope with declining revenues, the Legislature submitted Proposition 9 to the voters in 1932. It provided for the transfer of school funding responsibilities from the counties to the state. Schools would be supported by revenues from a sales tax and a personal income tax. Although this would have provided property tax relief for hard-pressed property owners, most Californians opposed a sales tax and were unwilling to increase school revenues in the midst of a crippling depression. Proposition 9 was defeated and fiscal woes mounted for both state and counties.

Relief came in 1933 with enactment of the Riley-Stewart Plan devised by two Members of the Board of Equalization—State Controller Ray L. Riley and Fred E. Stewart. Of all the provisions of the Riley-Stewart Act (Senate Constitutional Amendment 30), the one which would best serve the state in its quest for revenue was the authorization of "any form of taxation not prohibited by the Constitution."

Although it was politically foolhardy to propose a sales tax in the midst of the Great Depression, Ray Riley and Fred Stewart led the Board of Equalization in advocating its enactment. On July 18, 1933, less than one month after the Riley-Stewart Act was passed, Senate Bill 1211, providing for a retail sales tax, was introduced by Senator Ralph E. Swing.

After extensive debate over the rate, the Senate and Assembly compromised on 2½ percent, and the bill passed both houses of the Legislature by a narrow margin. Governor James Rolph, Jr. waited until the July 25, 1933 deadline to sign the bill into law. It became Chapter 1020, Statutes of 1933—the California Retail Sales Tax Act of 1933—and went into effect just one week later on August 1, with the 2½ percent rate that was to remain in effect until July 1, 1935. Thereafter the rate was to be lowered to 2 percent.

Adopted originally as a school tax, the sales tax was conceived as a temporary measure to pay teachers' salaries. Property tax revenues, which had financed education in California, plummeted when people were thrown out of work and the stock market crashed. Revenues generated by the new sales tax replaced property tax revenues as the main source of funding for education. Today, although the sales tax goes into the state's general fund and is not allocated to any one program, the state's contribution to schools exceeds sales and use tax revenue totals. Projected state sales tax revenues for fiscal 1983–84 are estimated at $8.6 billion. Expenditures for kindergarten through 12th grade will be $8 billion for the year, for higher education $3 billion, for a total of $11 billion.

Initially, there were 185,748 sales tax permits issued, from the inception of the tax August 1, 1933 through December 31, 1935. The most recent tally, as of December 31, 1982 was 763,684. The cost of administering the sales tax during its first full year was $1.98 per $100 of revenue. During the ensuing years, that figure fluctuated, rising as high as $2.61 during 1939–40, but declining thereafter almost steadily, with few exceptions, to 72 cents per $100 of revenue during 1982–83.

At the time Senate Bill 1211 was passed, no serious attempt was made to exempt food, although the original sales tax law provided five other exemptions: (1) sales which the Federal Constitution forbids the states to tax, (2) sales of gas, electricity, and water when delivered to consumers through mains, lines, or pipes; (3) sales of gold bullion, concentrates, or precipitates by the producer or refiner (silver was exempted in 1939); (4) sales of property to be used in public works contracts; and (5) motor vehicle fuel which was subject to a special excise tax. The most significant of all exemptions—food for home consumption—would not be enacted for two more years.

The sales tax proved enormously difficult to administer at first, both because the staff was inexperienced and because the public resented the new tax. The phrase, "a penny for Jimmy," reflected anger at Governor James Rolph for signing the sales tax into law. However, his courage in doing so despite the political unpopularity of levying a new tax just prior to the 1934 election saved the state from financial disaster.

The Board's former chief counsel, Roger J. Traynor, who was teaching at the University of California, took a leave of absence from the University and returned to the Board as Director of the Sales Tax to administer the law he had written.

Frank Keesling and Harry Say, who had collaborated with Traynor in drafting the sales tax law, were appointed assistant directors, and attorney Felix Wahrhaftig joined the Board's legal staff to work on sales tax matters. Traynor, Keesling, and Wahrhaftig drafted many basic regulations to implement the new sales tax law. Most of them are still in effect today, including the fabrication rule, the motion picture rule, and the contractors' rule. At the end of 1933, Traynor relinquished his position as Director of the Sales Tax and returned to teaching full time at the University. For the next seven years, he visited the Board headquarters in Sacramento from Friday to Saturday afternoon each week, to serve as a consultant, until 1940 when he was appointed to the California Supreme Court by Governor Culbert L. Olsen.

In his proposed 1935 budget, Governor Frank F. Merriam urged the Legislature to avoid the scheduled ½ of 1 percent reduction in the sales tax rate which the act had initially scheduled to take effect July 1, 1935, and called instead for an increase in the rate to 3 percent. After a heated debate in both houses, the Joint Legislative Committee on Revenue and Taxation recommended a 3 percent sales tax, the exemption of food for home consumption, a use and storage tax, and the application of sales tax to some leases and rentals.

The Legislature responded by enacting three bills: (1) the Hunt Bill raised the tax rate to 3 percent and exempted foodstuffs; (2) a second bill added leases and rentals made in lieu of sales to the list of taxable transactions; and (3) a use tax bill imposed a sales tax counterpart to purchases brought in from outside the state. All three bills became law effective July 1, 1935.

Following the exemption of food, the Board of Equalization cautioned against further exemptions, stating: "Exemptions, reasonable enough when considered individually, will form a vicious cycle destroying the effectiveness of the measure, and will plunge the state back into the tax crisis from which it was rescued with the adoption of the Sales Tax Act."

A major exemption was nullified with the enactment in 1971 of Senate Bill 325 which imposed the sales tax on gasoline and similar motor fuels. Since July 1, 1972, when this law went into effect, the sales tax has applied to the total selling price of retail sales of motor fuel, including both the state and federal excise taxes.

Revenues derived from the sales tax on motor fuels are allocated to county transportation funds and are used exclusively for highways and public transit purposes.

Following is a history of the rate changes during the first 50 years of the sales tax:

2½ percent..... 8/1/33 to 6/30/35
3 percent..... 7/1/35 to 6/30/43
2½ percent..... 7/1/43 to 6/30/49
3 percent..... 7/1/49 to 7/31/67
Bradley Burns local sales tax effective 4/1/56 adding 1 percent to the state sales tax for a total of 4 percent
4 percent..... 8/1/67 to 6/30/72
With local sales tax, total is 5 percent
3¾ percent..... 7/1/72 to 6/30/73
Bradley Burns local sales tax increased to 1¼ percent 7/1/72 to total 5 percent
4¾ percent..... 7/1/73 to 9/30/73
With local sales tax, total is 6 percent
3¾ percent..... 10/1/73 to 3/31/74
With local sales tax, total is 5 percent
4¾ percent..... 4/1/74 to present
With local sales tax, total is 6 percent

NOTE: In 1955, the Bradley-Burns Uniform Local Sales and Use Tax Law was enacted, giving California cities and counties the option of levying a 1 percent sales and use tax on or after April 1, 1956. By December 1961, all of California's counties and cities had adopted local sales tax ordinances. The rate rose to 1¼ percent effective July 1, 1972 when the sales tax was applied to motor fuel. The added ¼ of 1 percent was allocated to county transportation funds to be used exclusively for highways and public transit. The Board of Equalization administers these taxes.

Transit district ½ of 1 percent transactions (sales) and use taxes for the support of public transit systems are not shown in the percentages above.

The San Francisco Bay Area Rapid Transit District began collecting ½ of 1 percent in three Bay Area counties 4/1/70. In 1983, this tax is levied in seven counties: Alameda, Contra Costa, San Francisco, Santa Clara, Santa Cruz, San Mateo, and Los Angeles, which contain a majority of the state's population.

VIII. TAX LITIGATION

PROPERTY TAXES

Since the Board is Given the Power to Designate the Representative Period for the Normal Physical Presence of Nonscheduled Aircraft, It Follows That It Has the Further Power to Exclude from such Period Abnormal Aircraft Activity.

Pursuant to Revenue and Taxation Code, Section 538, the county filed an action for declaratory relief to test the validity of the representative period designated by the State Board of Equalization for assessing nonscheduled aircraft for the 1980–81 assessment year. The Board had designated the period March 1, 1979 to February 29, 1980 as the representative period for all nonscheduled aircraft, excepting therefrom DC-10 aircraft grounded because of suspension of its airworthiness certificate following the Chicago air disaster and aircraft grounded during a general employees' strike. For these two groups the Board modified the period by excluding the days the aircraft were grounded and substituting a like number of days from before March 1, 1979. The effect was to decrease the amount of time such aircraft were in California for assessment purposes which would result in a reduction in taxes due to the county. Summary judgment was granted to the Board and the county appealed.

The judgment was upheld by the Court of Appeal. Initially the county contended that the Board did not have the statutory authority to modify the representative period by excluding abnormal aircraft presence. The court disagreed and relied on the language of Revenue and Taxation Code, Section 115.1, which limits assessment only to the extent that such aircraft are normally physically present within the state. By this language the Legislature intends to exclude aircraft that were present because of an abnormal event. Since the Board is directed to designate a normal activity period, it follows that it has the further power to exclude abnormal activity. The court also concluded that the use of an entire year for nonscheduled aircraft is a reasonable attempt to pick a time period that is likely to reflect the average activity of the carrier for the ensuing tax year and there was no abuse of discretion by the Board in so doing. *County of Alameda* v. *State Board of Equalization,* 131 Cal.App.3d 374 (1982).

The Law Requires Only that an Assessor Use a Reasonable Method and if So Found by the Equalization Board, then It Will Not Be Rejected by a Court Merely Because Another Method Might Have Been Better.

The taxpayer brought an action for a refund of property tax by challenging the method of assessment that had been used by the assessor and approved on appeal by the assessment appeals board. The assessor appraised the taxpayer's oil refinery with the reproduction cost method. To arrive at market value he used a single depreciation factor to account for both normal wear and tear and for plant obsolescence. The assessor testified, and the Board found, that his formula had taken into account both elements of depreciation.

The trial court ruled in favor of the assessor and the Court of Appeal affirmed that decision. It was held that the finding of the appeals board that the assessor's method was reasonable was a factual finding that could not be disregarded by a court. Once it is found that the assessor employed a reasonable method to determine market value, it will not be rejected in favor of another method that under a differing opinion might have been better. The court also rejected the taxpayer's contentions that detailed findings of fact were required and that the assessments of dissimilar refineries should have been received in evidence. *Texaco Inc.* v. *County of Los Angeles,* 136 Cal.App.3d 60 (1982).

The Termination of an Irrevocable Trust on Real Property and Transfer of the Property to the Beneficiaries Did Not Constitute a Change in Ownership Within the Meaning of the California Constitution, Article XIIIA.

The assessor brought an action against the county board of equalization seeking relief from their grant of a taxpayer's assessment appeal application. In 1961 the real property in question was conveyed to a trustee to be held in an irrevocable trust. In 1978 the youngest beneficiary attained age 25, so the trustee conveyed the property by grant deed to the original four beneficiaries as tenants in common. Upon recordation of the deed the assessor reappraised the property on the theory that the conveyance upon trust termination constituted a change in ownership un-

der California Constitution Article XIIIA. One of the beneficiaries appealed to the county board of equalization which in turn reduced the assessment to its value prior to reappraisal. The superior court upheld the board's position and the assessor appealed.

The Court of Appeal viewed the question from the standpoint of trust law. In 1961 when the trust was created, a change in ownership took place. Equitable title in the property transferred to the beneficiaries at that time. As a factual matter the beneficiaries had the complete and total use of the property for their own benefit from 1961. In effect the only real change in 1978 was in the name of the holder of legal title. The appellate court held that beneficial use of the property was transferred to the beneficiaries at the creation of the trust and remained there. *Allen* v. *Sutter County Board of Equalization,* 139 Cal.App. 3d 887 (1983).

Under the Trade Level Theory of Assessment, if the Owner of an Item of Property at the Consumer Level of Trade Is Subject to Application of a Sales Tax Element in the Valuation of the Property, Then the Lessor of the Same Item at the Same Level is Subject to the Same Sales Tax Element.

The county assessor included an imputed sales tax of 5 percent in the 1974 assessment of copier products manufactured and owned by the taxpayer but leased to various customers in the county. Leasing is the primary means by which taxpayer markets its products and the rental varies based on model, volume of use, and pricing plan. Very few outright sales are made and in fact, only five sales occurred in the county during the preceding year.

The assessor used an income approach based upon a capitalization of anticipated net income and the addition of an imputed 5 percent sales tax to arrive at the full cash value of the copiers. Upon appeal the county's assessment appeals board deleted the imputed sales tax from the valuation, but the superior court reversed and vacated the board's decision. The taxpayer then appealed.

The Court of Appeal first noted that the assessor uses the trade level concept to put identical equipment on the same basis whether the ultimate user chooses to lease it or to buy it because its value is the same to all. The Constitution requires uniformity and fairness in arriving at an appraisal of the same item of property at the same level of trade. Under the market value concept where price is the basis of value, the sales tax is an element of value. The assessor capitalized income for leased property to the lessor which is ordinarily at the retail trade level. The adjustment by imputing a sales tax was proper to achieve a valuation at the consumer trade level. *County of San Diego* v. *Assessment Appeals Board No. 2,* 140 Cal.App.3d 52 (1983).

The Term, Special Taxes, as Used in California Constitution Article XIIIA, Section 4, Means Taxes Which Are Levied for a Specific Purpose.

A city controller refused to certify that funds were available from the increases in a payroll and gross receipts tax after a simple majority of voters approved an extension of the expiration date. Although the increases were deposited in the city's general fund and were to be used for general governmental expenditures, the controller contended that the increased tax was a special tax as defined in California Constitution Article XIIIA, Section 4, and that passage required a two-thirds vote of the electorate.

The California Supreme Court issued a preemptory writ of mandate. It held that the term, special taxes, as used in the constitutional provision requiring two-thirds vote means taxes which are levied for a specific purpose. Thus the payroll and gross receipts tax at issue, the proceeds of which were to be used for general revenue purposes, was not a special tax. *City and County of San Francisco* v. *Farrell,* 32 Cal.3d 47 (1982).

SALES AND USE TAXES

Incidence of the Sales Tax is on the Retailer.

Taxpayers were insurance companies who paid sales tax reimbursement on retail purchases of personal property for the years 1973 through 1976. During that time, California Constitution, Article XIII, §14–4/5 (now Cal. Const. Art. XIII, §28, subd. (f)) and Revenue and Taxation Code Section 12204 restricted taxation of insurance companies solely to the gross premium tax. Taxpayers brought a refund action and the trial court entered a judgment of dismissal.

The Court of Appeal affirmed, holding that the legal incidence of the retail sales tax is on the retailer and not the consumer, even though most often the real economic burden of the tax eventually falls on the consumer. Thus, the court concluded that neither the Constitution nor the statute forced the imposition of a sales tax on retail sales of personal property to insurance companies. *Occidental Life Insurance Company of California* v. *State Board of Equalization,* 135 Cal.App.3d 845 (1982).

Federal Courts Have No Jurisdiction to Enjoin Collection of a State Tax.

Taxpayer filed a complaint for declaratory and injunctive relief against the State Board of Equalization alleging that the assessment of use taxes on automobiles that it leased to the federal government violated federal immunity, was arbitrary and discriminatory, and was a result of an erroneous construction of the tax law. The District Court dismissed for want of jurisdiction.

On appeal, the District Court's dismissal was upheld on the basis that the suit was barred by the Eleventh Amendment. *V.O. Motors* v. *State Board of Equalization,* 691 F.2d 871 (1982).

Board's Use of Audit Test Upheld.

Taxpayer, an operator of a retail grain and feed store, sold hay, grain, pet food, and related products. An exemption certificate pursuant to Revenue and Taxation Code Section 6358 was obtained and kept on file from each customer who purported to purchase tax-exempt feed. Following an audit during which taxpayer claimed 80 percent of its sales consisted of exempt feed, the Board conducted a field test and determined that approximately 53 percent of sales were to customers who claimed exemption.

The Court of Appeal affirmed the trial court's admission of the test amounts. The court held that although taxpayer kept an exemption certificate on file from each customer who purported to purchase tax exempt feed, taxpayer failed to meet the burden of proving that 80 percent of the sales were exempt because there were no records correlating sales invoices to the exemption certificates. The court also held that the trial court properly admitted the results of the Board's test, where substantial evidence supported the trial court's findings that sales during the test period were representative of those during the audit period, and that the condition and conduct of taxpayer's business remained substantially similar during both periods. *Paine* v. *State Board of Equalization,* 137 Cal.App.3d 438 (1982).

Keypunch Activities Are Subject to Tax.

Customers delivered raw data to taxpayer, a computer service bureau, with instructions to transpose the data onto cards that could be read by the customer's computer. After the cards were read by the computer they were of no further use to the customer and were usually destroyed or recycled.

Taxpayer purchased the cards and paid the tax on them. Taxpayer considered the consumption of the cards to be part of the hourly rate it charged its customers for the keypunching and did not bill a separate amount for the cards. The cost of the cards constituted 2 percent of the overall cost to the customer.

Taxpayer filed a claim for refund for tax paid to the Board on the gross receipts from the keypunching activities. At trial, the court ruled that taxpayer was not entitled to a refund.

On appeal, taxpayer contended that the gross receipts from the sale of keypunching services are exempt from sales tax because the true object of the transactions between taxpayer and its customers are the services rendered and not the media on which the services are delivered.

The appellate court concluded that taxpayer's keypunching activities produced tangible personal property to the special order of its customers which was subject to tax pursuant to Section 6006 (f) of the Revenue and Taxation Code. *Intellidata Incorporated* v. *State Board of Equalization,* 139 Cal.App.3d 594 (1983).

Thrift Shop Did Not Qualify for Exemption.

A charitable organization which operated several thrift shops brought a suit for refund of sales tax paid to the Board of Equalization on sales at its shops. It was the Board's position that the organization did not qualify for the exemption provided to charitable organizations pursuant to Section 6375 of the Revenue and Taxation Code because the organization had not received a property tax exemption pursuant to Section 214 of the code. The trial court granted judgment in favor of the Board.

The Court of Appeal affirmed, holding that the organization had not met its burden of showing that the sales in question were made "as a matter of assistance to the purchasers" as required by Revenue and Taxation Code Section 6375. The Court noted that the organization's statement that the sales were made to the general public, without any indication of what prices were charged or what prices were lower than those charged for comparable products by retailers, resulted in the organization not qualifying for the welfare exemption. *Good Shepherd Lutheran Home of the West* v. *State Board of Equalization* 139 Cal.App.3d 876 (1983).

INSURANCE TAX

Claims Payments Made Under "Mini-Met" Plans Are Taxable as Gross Premiums.

During the years in issue, taxpayer, an insurance company, developed a plan known as the "mini-met" plan. Pursuant to the plan, 15 employers which had existing group medical insurance policies with the taxpayer assumed the obligation to pay claims

under the policies up to a maximum aggregate amount. In the majority of cases, the employers created special accounts under Metropolitan's control for purposes of making the claims payments. Taxpayer was liable, under the policies in effect, for any claims in excess of the aggregate amount. Both before and after the plan was created, taxpayer administered many aspects of the employers' group health programs including claims payments, settlements, litigation, etc. Gross premiums tax was reported and paid with respect to the excess of aggregate coverage provided but not with respect to claims paid below the aggregate level.

The California Supreme Court, reversing the trial court's decision, concluded that the employers were mere agents of the taxpayer under the "mini-met" plans and that the claims payments made within the aggregate portion of the plans constituted gross premiums subject to tax. *Metropolitan Life Insurance Co.* v. *State Board of Equalization,* 32 Cal.3d 649 (1982).

Arizona Tax on Workers' Compensation Business Is Not a Special Purpose Obligation For Purposes of California's Retaliatory Insurance Tax Law.

Taxpayer, an Arizona insurance company doing workers' compensation business in California, failed to include in its California retaliatory tax computations amounts which would have been imposed by Arizona on a similarly situated California insurance company doing workers' compensation business in Arizona. Such a comparison is mandated by California's retaliatory insurance tax provisions unless the type of business is exempted under the pertinent provisions of the law (Cal. Const. Art. XIII §28, subd. (f) (3); Cal. Ins. Code §685 et. seq.). Taxpayer argued unsuccessfully that Arizona's tax on the business of workers' compensation insurance was exempt from the retaliatory comparison on grounds the tax was a "special purpose obligation or assessment" as that term is used in the law.

The trial court found that the tax in question was not a special purpose obligation or assessment and was therefore includible in the California retaliatory tax computations. The Court of Appeal affirmed the trial court decision for the reason that the Arizona tax in question was not a charge for benefits conferred upon the taxpayer; rather, it was a tax imposed for the general public good. *American Alliance Insurance Co.* v. *State Board of Equalization,* 134 Cal. App.3d 601 (1982).

Principal Office Deduction from Gross Premiums Tax Allowed for 1976.

Taxpayers, insurance companies, claimed principal office deductions from their gross premiums tax liability for business year 1976. On June 9, 1976, the California electorate voted to remove the principal office deduction provisions [Cal. Const. Art. XIII §28, subd. (e)] from the California Constitution. Simultaneous action to remove the companion Revenue and Taxation Code Section, Section 12241, was in progress during 1976 in the California Legislature.

The trial court determined that the effective date of the repeal of the principal office deduction was January 1, 1976. The Court of Appeal reversed the trial court's decision and allowed the deductions, concluding that the repeal did not take effect until January 1, 1977. A petition by the Board for a hearing before the California Supreme Court was denied. *California Compensation & Fire Company, et al* v. *State Board of Equalization,* 132 Cal.App.3d 25 (1982).

PERSONAL INCOME TAX

Legal Fees Unrelated to Present Income Production Are Not Deductible

The Haldemans were residents of California from June 30, 1973, through at least 1976. Prior to this period they were residents of Maryland, and Mr. Haldeman was employed as Chief of Staff for the White House. From 1974 through 1976 he earned his income from writing and making television appearances about his involvement in the White House and the so-called Watergate matters. The Haldemans sought to deduct as ordinary and necessary expenses the legal fees he incurred in 1974, 1975, and 1976 for his defense costs arising from the Watergate trials and hearings. In a refund action he brought against the Franchise Tax Board, the trial court ruled against the taxpayer.

The Court of Appeal affirmed. It found that his trade or business during the appeal years was as a self-employed television interviewee and column writer. The legal fees incurred arose not out of that work, but out of the Watergate matters and his activity as Chief of Staff. His income as Chief of Staff, earned while he was a Maryland resident, was not taxable by California, and expenses subsequently incurred that arose out of such employment were not deductible in this state. The court also held that the legal fees were not deductible as an expense incurred in the production of income, because they were not allocable to his taxable income from interviewing and writing in the years 1974 through 1976. *Haldeman* v. *Franchise Tax Board,* 141 Cal.App.3d 373 (1983).

Tax Refunds May Be Offset by Child Support Obligations

In each of two cases, *Tyler* v. *State of California*

and *Del Costello* v. *State of California* (citations below), a California county obtained a judgment against a taxpayer for reimbursement of funds the county had provided through the aid to families with dependent children program (AFDC). Subsequently, the taxpayer was denied a refund of excess income tax that had been withheld in 1979 because the State Controller offset against the refund the amount of the unpaid judgment.

In each case, the Court of Appeal affirmed a trial court dismissal of the plaintiff's suit against the state. The court held that the State Controller may enforce a judgment upholding an AFDC obligation by offsetting the amount of any income tax refund owing the taxpayer. In *Del Costello* v. *State of California,* the court explained that the state may so use the offset statutes because the county, in administering the AFDC program for the state, is an agent of the state; therefore, the judgment obtained by the county is an "amount due" the state. The courts in both cases held that a state tax refund has the attributes of a simple debt and does not create a trust relationship which would prevent it from offsetting the overpayment against the state's claim. *Del Costello* v. *State of California,* 135 Cal.App.3d 887 (1982); *Tyler* v. *State of California,* 134 Cal.App.3d 973 (1982).

BANK AND CORPORATION TAX

Formula Apportionment Properly Applied to American Corporation's Unitary Foreign Subsidiaries

During the years in dispute, appellant Container Corporation of America was a paperboard packaging manufacturer and all but one of its twenty subsidiaries in Europe and Latin America were engaged in the paperboard packaging business. The Franchise Tax Board treated appellant, which was subject to corporate franchise tax on its activities in California, and its foreign subsidiaries as a unitary business, and applied California's three-factor apportionment formula in imposing franchise tax upon the business. In a refund action brought by appellant, the California Superior Court and Court of Appeal upheld the Franchise Tax Board.

The United States Supreme Court affirmed. It noted that the taxpayer has the burden of proving that the state tax causes extra-territorial values to be taxed. It deferred to the Court of Appeal's factual findings, and held that the court applied the proper legal standard, and properly relied upon numerous established unitary factors, in making a reasonable determination that the operations of appellant and its subsidiaries constituted a unitary business. The Supreme Court also concluded that California's application of the three-factor formula to apportion the income of this unitary business was fair, and that the income apportioned to California was not out of all proportion to the business transacted in this state. Lastly, the Court held that California was not obligated under the Foreign Commerce Clause of the United States Constitution to employ the "arm's length" analysis used by the federal government and most foreign nations in evaluating the tax consequences of intercorporate relationships. Distinguishing *Japan Line, Ltd.* v. *County of Los Angeles,* 441 U.S. 434 (1979), the Court concluded that this state's formula apportionment method does not "inevitably" lead to multiple taxation, that California could not eliminate the risk of double taxation even if it adopted one of the arm's length approaches, and that California's use of formula apportionment in the international context does not prevent the federal government from "speaking with one voice" in international trade. *Container Corporation of America* v. *Franchise Tax Board,*—U.S.— (1983).

Account Clerks Dave Kohaya (right) and Kevin Yee operate MICR equipment which encodes checks, sorts them for deposit in the appropriate bank, and provides control tapes for accounting purposes.

PICTURE THE STAFF

Board of Equalization employees at work around the state.

In the Arcadia District office, Business Taxes Representative Andrew Michael Bartak performs collection work over the telephone.

In the Hollywood District office, Tax Auditor Gary Choi uses a video terminal to verify the information on a seller's permit.

Senior Delineator Harry Kingsley, Property Tax Department, records changes of tax rate area boundaries.

In the Return Review Unit, Program Technician Lisa Torres verifies deductions and mathematical totals on Sales Tax returns.

Secretary Jean Basquin greets taxpayers arriving for an audit hearing in the San Jose District office.

San Bernardino District Administrator Robert Lively (left) and Supervising Tax Auditor Edmund Kelly discuss a taxpayer's petition for redetermination of the Board's audit findings.

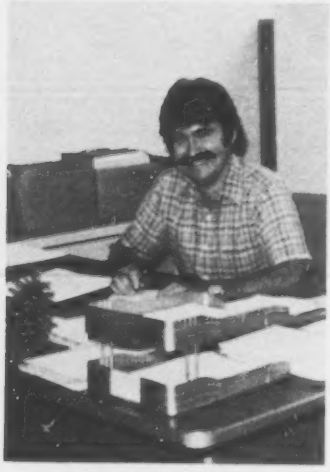
In the San Francisco District office, Program Technician Guisell Garcia instructs Secretary Kathy Berry on the use of the video terminal.

In the Audit Evaluation and Planning Unit, Tax Auditor Mike Mott answers a taxpayer's questions about the taxability of sales by nonprofit groups.

Tax Auditor Janis Taylor of the Local Tax Unit analyzes audit results for proper reporting of local tax liabilities.

Program Technician Judy Judge-Blunt fills out escrow documents in the San Francisco District office.

Word Processing Technician Antoinette Cabral checks a printer which is producing routine correspondence with taxpayers.



In the Orange County field office of the Assessment Standards Division, Property Appraiser Robert Donay prepares a sample survey report.

At work in the Chicago office which overlooks the Merchandise Mart are (from left to right) Area Administrator Patrick Donohue, Tax Auditor Vickie Nommensen, and Supervising Tax Auditor Terry Dudek.

Delineator Carl Shauger draws a map indicating tax rate areas within a California county.

Tax Auditor Oz Musso of the Petitions Unit performs an initial review of incoming petitions by taxpayers appealing the findings of the Board's field audits.

Tax Auditor Charles Wittlin answers a variety of Sales Tax questions as he takes a turn on the Hollywood District office's public information desk.

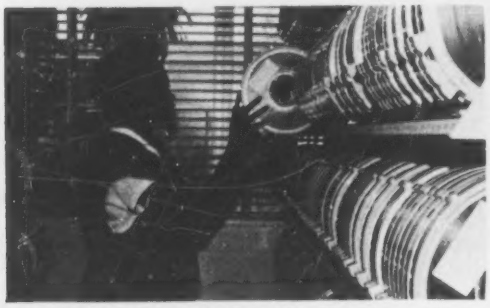
Secretary Barbara Mohs types a report for the Inglewood District Principal Auditor.

Hilkka Partanen, Calculating Machine Operator in the Account Reference Unit, establishes and verifies batch totals for input to the Board's Accounts Receivable system.

Joe Dutra supervises the Account Reference Unit's Security Section which maintains records of taxpayer security deposits posted throughout the state.

Account Clerk Lilly Chan of the headquarters Cashier Unit opens tax returns. The Cashier Unit processed 3.7 million tax payments in 1982–83.

In the Return Review Unit, Business Taxes Specialist Bob Fosha and Tax Representative Tony Munso discuss correspondence with a taxpayer concerning the filing requirements for Sales Tax prepayments.



In the Data Processing Division's "library", Student Assistant Petra Murry files computer tapes.

In the Orange County Assessment Standards field office, Secretary Joan Sonnenberg types a property appraisal report.

Tina Sanches, Office Assistant in the Occasional Sales Unit, verifies the resident status of the owners of vehicles registered outside California. Referrals from the California Highway Patrol and other sources have resulted in collection of over $2 million in Motor Vehicle License Fees and Use Tax during 1982–83.

San Jose's former District Principal Compliance Supervisor Ron Taussig (left) and Business Taxes Compliance Specialist Al Deets discuss seizure of untaxed cigarettes.

Business Taxes Representative Bob Silverman and Program Technician Cathy Gonzalez-Orozco discuss a closeout document in the Downey District office.

San Bernardino Tax Auditor Carl Herth uses a video terminal to compute the interest on an audit report.

Secretary Susan Wagner prepares employee time sheets in the San Francisco District office.

Secretaries Pat Coleman (left) and Sandra Weaver at work in the Chicago office.

Programmer Debbie Balaam develops an on-line program to expand the tax area codes used to allocate Local Sales and Use Tax revenues.

Audit Control Unit Supervisor Ron Smith checks the audit history of an account which has been selected for audit.

In the Arcadia District office, Compliance Supervisor Malcolm Merrill gives Office Assistant Jo Ann Dulgarian taxpayer correspondence for typing.

Program Technician Fran Simmons and Business Taxes Representative Don Fields use video terminals in the Return Review Unit to check payment files before issuing a billing.

Software Systems Supervisor Lloyd Shaw monitors the activity of both of the Board's computer systems.

Forest Property Appraiser Neil Beckett of the Timber Tax Division in Redding examines timber scheduled for harvest.

Program Technician Glenn Lee, San Mateo office, checks correspondence in a taxpayer's file.

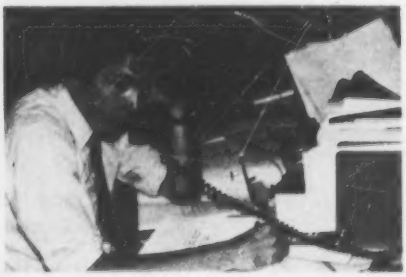
Auditor Frank Tartlinger, San Bernardino, prepares a report of his findings as the result of an audit.

In the Registration Unit, Office Assistant Victoria Marcott reviews documents sent in from field offices before they are entered in the automated registration system.

In the San Jose District office, Program Technician Helen Sanchez uses the video terminal to secure account information.

In the Audit Review and Refunds Unit, Auditor Brian Ishimaru reviews claims for refund resulting from Board audits.

In the Business Taxes Word Processing Unit, Office Services Supervisor Lenea Miranda inserts a diskette into a central processing unit which will extract the stored information.



In the San Francisco District office, Business Taxes Representative Gerry Hodgkinson contacts a taxpayer about the closeout of an inactive account.

In the San Mateo District office, Business Taxes Compliance Supervisor Joe Cowan (left) checks out a collection procedure for Program Technician Glenn Lee.

In Stockton, Property Appraiser Bob Reinhard teaches a course entitled, "Appraising Income-Producing Property."

Business Taxes Representative Arnold Gonzales of the Arcadia District office answers a taxpayer's question about the application of Sales Tax to a retail transaction.

BOARD
MEMBERS

WILLIAM M. BENNETT
Chairman
First District

CONWAY H. COLLIS
Second District

ERNEST J. DRONENBURG, JR.
Vice Chairman
Third District

RICHARD NEVINS
Fourth District

KENNETH CORY
State Controller

DOUGLAS D. BELL
Executive Secretary

STATISTICAL APPENDIX

ANNUAL REPORT 1982-1983

CALIFORNIA STATE BOARD OF EQUALIZATION

WHERE TO FIND IT

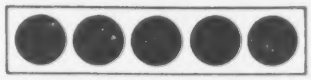
	Page	
ADMINISTRATION	A-1	
PROPERTY TAX DATA	A-4	
SALES AND USE TAXES	A-24	
HIGHWAY TAXES		
Gasoline	A-31	
Diesel and Other Fuels	A-33	
ALCOHOLIC BEVERAGE AND CIGARETTE TAXES		
Alcoholic Beverages	A-34	
Cigarettes	A-37	
INSURANCE TAX	A-38	

TABLE 1—SUMMARY OF EXPENDITURES OF THE BOARD
For the period July 1, 1982 to June 30, 1983
(in thousands of dollars)

Function	Expenditures	
	1981–82	1982–83
1	2	3
Personal services	$75,538	$74,689
Operating expenses and equipment:		
General expenses	2,021	2,390
Printing	1,148	1,244
Communications	1,051	1,222
Postage	1,251	1,407
Insurance	11	15
Travel—in-state	1,385	1,637
Travel—out-of-state	880	978
Training	55	59
Facilities—operation	3,682	4,010
Utilities	46	44
Consulting & Professional Services: Interdepartmental	3,882	4,477
Data Processing	1,159	1,218
Central Administrative Services	205	232
Equipment	48	347
TOTALS, Operating Expenses and Equipment	$16,824	$19,280
Totals, expenditures	$92,362	$93,969
Reimbursements:		
General Fund	19,495	23,137
Special Funds	5,169	6,100
Net expenditures	$67,698	$64,732

TABLE 2—SUMMARY OF REVENUES FROM TAXES ADMINISTERED BY THE BOARD, BY FISCAL YEAR, 1972–73 TO 1982–83

(In thousands of dollars)

Revenue source	1972–73	1977–78	1981–82	1982–83
1	2	3	4	5
Local taxes on state-assessed properties [a]	$506,361	$725,268	$406,536	$462,241
Private car taxes [a]	5,701	8,277	4,854	4,133
Fuel taxes and fees:				
Motor vehicle fuel license taxes: [b]				
Gasoline tax	715,683	810,020	770,628	880,586
Jet fuel tax	360	692	860	703
Subtotals	716,043	810,712	771,488	881,289
Use fuel tax [c]	48,467	66,044	81,288	93,232
Fees	18	23	36	39
Subtotals	48,485	66,067	81,324	93,271
Fuel total	764,528	876,779	852,812	974,560
Sales and use taxes and fees: [c]				
State taxes	2,197,083	5,028,659	7,689,139	7,795,554
City and county sales taxes	572,209	1,053,430	1,602,661	1,619,263
County transportation tax	125,348	263,127	401,035	406,360
Bay Area Rapid Transit District taxes [d]	32,043	56,063	88,625	85,310
Southern California Rapid Transit District taxes [e]	302	189	39	—
Santa Clara County Transit District taxes [f]	—	31,394	51,529	53,782
Santa Cruz Metropolitan Transit District taxes [g]	—	—	5,258	5,496
Los Angeles County Transportation Commission taxes [h]	—	—	—	196,433
San Mateo County Transit District taxes [i]	—	—	—	16,786
Fees	193	308	448	475
Totals	2,927,178	6,433,170	9,838,734	10,179,459
Alcoholic beverage taxes: [c]				
Taxes on beer and wine	17,979	22,974	28,331	27,690
Taxes on distilled spirits	96,907	109,086	111,193	108,519
Totals	114,886	132,060	139,524	136,209
Cigarette tax [c, j]	253,602	274,102	276,864	271,621
Electrical Energy Tax [l]	—	17,660	30,994	30,726
Emergency Telephone Users' Surcharge [m]	—	8,747	20,052	23,057
Timber Yield Tax [n]	—	27,100	14,445	10,069
Timber Reserve Fund Tax [n]	—	2,211	8,634	14,195
Hazardous Waste Control Tax [o]	—	—	1,387	5,758
Hazardous Substance Tax [p]	—	—	2,068	10,307
Grand totals	$4,572,256	$8,505,374	$11,596,864	$12,122,335 [k]

[a] Revenues shown represent those actually received during the indicated fiscal year. Local taxes extended on state-assessed properties include ad valorem special assessments collected by city and county officials.

[b] Based on business done during the fiscal year, i.e. tax on gasoline distributed. Includes tax, interest and penalties; refunds have not been deducted.

[c] Revenues received during the fiscal year from self-assessments and on tax deficiencies, interest and penalties assessed by the Board and fees collected for the issuance of permits or their reinstatement. Refund claims certified to the Controller by the Board or credited against subsequent tax liabilities during the fiscal year are deducted.

[d] This one-half of one percent tax became effective April 1, 1970, in the counties of Alameda, Contra Costa, and San Francisco. The amounts shown for BARTD for the most recent two years include amounts collected for the Metropolitan Transportation Commission: $23,767,546 for 1981–82 and $23,531,093 for 1982–83, including interest. Effective January 1, 1978, 25 percent of the revenue collected under the Bay Area Rapid Transit District Sales Tax was earmarked for MTC which allocates it to the Alameda-Contra Costa Transit District, San Francisco Municipal Railway, and BARTD.

[e] This one-half of one percent tax was effective from July 1, 1970 through December 31, 1970 in Los Angeles County.

[f] This one-half of one percent tax became effective October 1, 1976, in Santa Clara County.

[g] This one-half of one percent tax became effective January 1, 1979, in Santa Cruz County.

[h] This one-half of one percent tax became effective July 1, 1982, in Los Angeles County.

[i] This one-half of one percent tax became effective July 1, 1982, in San Mateo County.

[j] Includes $76,080,546 in 1972–73, $82,231,000 in 1977–78, $83,047,000 in 1981–82, and $81,486,000 in 1982–83 earmarked for cities and counties.

[k] Insurance taxes amounted to $460,403,283 but are not shown above because most of the work involved is performed by the Insurance Commissioner.

[l] This tax became effective January 1, 1975.

[m] This tax became effective July 1, 1977.

[n] This tax became effective April 1, 1977, but no revenue was due until 1977–78.

[o] Administration of this tax was transferred to the Board from the Department of Health Services in fiscal year 1981–82.

[p] This tax was first levied in 1981–82 on hazardous waste generated in calendar year 1981.

NOTE: Large increases in revenue may be attributable to higher tax rates. Details on rate changes for the business taxes listed above are presented in the following pages of this appendix in the historical table for each tax program.

TABLE 3A—SUMMARY OF TOTAL COSTS OF PERFORMING BOARD FUNCTIONS, 1981–82 and 1982–83
(In thousands of dollars)

Programs	Board expenditures [a]		Non-board expenditures [b]		Total costs	
	1981–82	1982–83	1981–82	1982–83	1981–82	1982–83
1	2	3	4	5	6	7
Local Property Tax Monitoring	1,970	—	96	—	2,066	—
County assessment standards	2,477	4,028	118	215	2,595	4,243
State-assessed property [c]	3,517	3,577	171	254	3,688	3,831
Timber tax	1,445	1,578	—	—	1,445	1,578
Sales and use tax	73,580	77,421	2,931	3,600	78,511	81,021
Hazardous substances tax	201	237	—	—	201	237
Alcoholic beverage tax	866	692	29	29	895	721
Cigarette tax	1,517	1,601	26	16	1,543	1,617
Motor vehicle fuel license tax [d]	483	490	—	—	483	490
Use fuel tax	2,854	2,949	—	—	2,854	2,949
Electrical energy tax	60	54	—	—	60	54
Emergency telephone users' surcharge	75	69	—	—	75	69
Insurance tax	84	67	37	35	121	102
Motor vehicle fuel conservation	252	—	—	—	252	—
Appeals from other governmental programs	709	903	23	36	732	939
Administration and support						
Distributed to other programs [e]	(7,280)	(7,449)	—	—	(7,280)	(7,449)
Non-board programs (reimbursable)	272	303	—	—	272	303
Totals, programs	92,362	93,969	3,431	4,185	95,793	98,154
Reimbursements	−24,664	−29,237	—	—	−24,664	−29,237
Net totals, programs	67,698	64,732	3,431	4,185	71,129	68,917

[a] Format conforms to Program Budget presentation.
[b] Includes a portion of the cost of operating central agencies that perform services for the Board; such as offices of the Attorney General, the State Controller, and the State Personnel Board.
[c] Includes the cost of assessing and collecting the private car tax.
[d] Does not include the cost of administering gasoline tax refunds or collecting delinquent gasoline taxes which are functions of the Controller.
[e] These administrative costs are already allocated to the above tax programs.

TABLE 3B—REVENUES AND RATIOS OF BOARD EXPENDITURES AND TOTAL COSTS TO REVENUES FROM ASSESSMENTS MADE BY THE BOARD, 1981–82 AND 1982–83 [a]

Tax	Revenues (in thousands)		Ratio of board expenditures to revenues (in percent)		Ratio of total costs to revenues (in percent)	
	1981–82	1982–83	1981–82	1982–83	1981–82	1982–83
1	2	3	4	5	6	7
Local taxes on state-assessed property	$411,390	$466,374	.85	.77	.90	.82
Timber tax	23,079	24,264	6.26	6.50	6.26	6.50
Sales and use tax	9,838,734	10,179,459	.77	.76	.80	.80
Hazardous substance tax	3,455	16,065	[c]	1.48	[c]	1.48
Alcoholic beverage tax	139,524	136,209	.62	.51	.64	.53
Cigarette tax	276,824	271,621	.55	.59	.56	.60
Motor vehicle fuel taxes [b]	852,812	974,360	.39	.35	.39	.35
Electrical energy tax	30,994	30,726	.19	.18	.19	.18
Emergency telephone users' surcharge	20,052	23,057	.37	.30	.37	.30
Totals and ratios	$11,596,864	$12,122,335	.73	.73	.77	.76

[a] Format conforms to Program Budget presentation.
[b] Gasoline tax refunds have not been deducted from collections and the cost of making them is not included in expenditures.
[c] Not computed. Expenditures include program start up costs and revenues are not for a full year.

TABLE 4—SUMMARY OF ASSESSED VALUES OF PROPERTY SUBJECT TO LOCAL GENERAL PROPERTY TAXES, ASSESSMENT RATIOS AND AVERAGE TAX RATES, 1973–74 to 1983–84 [a]

(Assessed values in millions of dollars)

Assessment agency and type of property	1973–74	1974–75	1975–76	1976–77	1977–78	1978–79	1979–80	1980–81	1981–82 [f]	1982–83 [f]	1983–84 [f]
1	2	3	4	5	6	7	8	9	10	11	12
County assessors:											
Land	24,544	26,854	29,020	32,233	36,245	37,137	43,335	52,199	238,486	263,447	282,952
Improvements	32,095	35,641	40,232	46,476	54,149	58,316	68,106	79,430	359,878	404,347	437,334
Totals	56,639	62,495	69,252	78,709	90,394	95,453	111,441	131,629	598,364	667,794	720,286
Tangible personal property	7,867	8,964	10,590	11,816	12,531	14,481	16,834	8,430	38,404	43,945	46,661
Gross tangible property totals	64,506	71,459	79,842	90,525	102,925	109,934 [d]	128,275	140,059	636,768	711,739	766,947
Exemptions:											
Homeowners' exemption	5,738	6,008	6,352	6,552	6,787	6,938	7,006	7,169	29,138	29,421	29,563
Business inventory exemption	1,920	2,589	3,094	3,454	3,606	4,203	4,997	*	*	*	*
All other exemptions [b]	1,838	1,977	2,191	2,388	2,696	2,806	2,895	3,184	14,553	15,460	16,794
Net tangible property totals: [c]											
Net of "all other exemptions" [b]	62,668	69,482	77,651	88,137	100,229	107,130 [d]	125,380	136,874	622,215	696,279	750,154
Net of all exemptions	55,010	60,885	68,205	78,131	89,836	95,987 [d]	113,377	129,706	593,077	666,858	720,590
State Board of Equalization:											
Land	404	430	422	430	423	460	487	547	2,895	3,390	3,905
Improvements	2,466	2,483	2,594	2,893	3,431	6,001	6,546	6,911	30,430	34,896	40,632
Totals	2,870	2,912	3,016	3,323	3,854	6,461	7,033	7,458	33,325	38,286	44,537
Tangible personal property	1,740	1,904	2,025	2,257	2,611	461	408	407	2,387	2,546	2,680
Gross tangible property totals	4,610	4,816	5,041	5,580	6,465	6,922	7,441	7,865	35,712	40,833	47,217
Business inventory exemptions	3	8	13	23	37	48	51	*	*	*	*
Net tangible property totals	4,607	4,809	5,028	5,557	6,428	6,874	7,390	7,865	35,712	40,833	47,217
Totals all property:											
Land	24,948	27,284	29,442	32,663	36,668	37,598	43,822	52,746	241,381	266,837	286,857
Improvements	34,561	38,124	42,826	49,369	57,580	64,317	74,652	86,341	390,308	439,243	477,966
Totals	59,509	65,408	72,268	82,032	94,248	101,915	118,474	139,087	631,689	706,080	764,823
Tangible personal property	9,607	10,868	12,615	14,073	15,143	14,943	17,242	8,837	40,792	46,491	49,341
Gross tangible property totals	69,116	76,276	84,883	96,105	109,391	116,858 [d]	135,715	147,924	672,481	752,572	814,164
Net tangible property totals: [c]											
Net of "all other exemptions" [b]	67,278	74,299	82,692	93,717	106,694	114,052 [d]	132,821	144,739	657,928	737,112	797,370
Net of all exemptions	59,617	65,693	73,233	83,687	96,264	102,862 [d]	120,767	137,570	628,789	707,691	767,807
Ratios of assessed to full value of locally assessed property (percent)	23.8	24.2	24.7	25.1	23.0	—	—	—	—	—	—
Statewide average tax rates (per $100 assessed valuation)	$11.15	$11.24	$11.33	$11.19	$10.68	$4.79	$4.69	$4.63	$1.144	$1.131	—

[a] Excludes assessments of railroad cars for application of the State's private car tax (see Tables 17A and 17B) or assessments of motor vehicles for application of the "vehicle license fee", an ad valorem excise tax administered by the Department of Motor Vehicles and exacted from owners of motor vehicles in lieu of general property tax.

[b] "All other exemptions" include those for veterans, churches, religious properties, colleges, schools below college grade, hospitals, and charitable properties.

[c] Tax rates are set on assessed values which include the homeowners' exemption and exclude "all other exemptions" from the gross. Taxes are actually levied on values "net of all exemptions" and the State reimburses local governments for all of the tax loss attributable to the homeowners' exemption.

[d] Does not include changes made after September 1978 to county-assessed 1978–79 roll values. The revised totals shown below reflect the changes made through April 1979. A revised breakdown by type of property is not available.

Revised 1978–79 totals in millions of dollars

	County assessors	Totals all property
Gross tangible property totals	$112,620	$119,542
Net tangible property totals		
Net of "all other exemptions"	109,815	116,737
Net of all exemptions	96,673	103,547

* Business inventories became totally exempt effective on the 1980–81 property tax rolls and are no longer enrolled.

[f] The ratio of assessed value to taxable value was changed to 100 percent (from 25 percent) beginning with the lien date for 1981–82.

NOTE. Detail may not add to total because of rounding.

TABLE 5—ASSESSED VALUE OF STATE- AND COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES, INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY CLASS OF PROPERTY AND BY COUNTY, 1983–84 [a]

(In thousands of dollars)

County	Land	Improvements	Personal property [b]	Exemptions	Net total	Percent change year to year
1	2	3	4	5	6	7
Alameda	$12,801,057	$17,837,341	$2,211,903	$925,601	$31,924,700	10.0
Alpine	50,503	67,056	3,637	263	120,933	8.5
Amador	298,102	541,102	69,943	5,337	903,810	6.4
Butte	1,475,222	2,643,174	298,266	95,203	4,321,459	7.3
Calaveras	427,190	634,098	31,296	7,854	1,084,730	8.8
Colusa	385,033	359,208	116,388	2,685	1,057,944	6.5
Contra Costa	8,443,358	17,509,998	1,071,307	281,397	26,743,266	9.3
Del Norte	164,896	252,209	37,461	6,299	448,267	7.7
El Dorado	1,264,346	2,659,022	105,611	42,434	3,986,545	6.8
Fresno	5,395,188	10,259,563	1,368,944	342,682	16,681,013	6.5
Glenn	472,208	444,320	97,193	6,413	1,007,308	4.5
Humboldt	940,285	1,809,848	210,309	59,167	2,901,275	9.8
Imperial	1,017,333	1,063,380	237,703	25,628	2,292,788	7.9
Inyo	574,682	312,276	40,862	13,001	914,819	5.7
Kern	14,608,339	9,517,357	998,685	231,051	24,893,330	6.0
Kings	691,704	1,172,632	203,509	36,771	2,031,074	9.6
Lake	1,284,004	840,902	61,707	15,590	2,171,023	26.1
Lassen	272,085	314,782	49,392	4,918	631,341	10.6
Los Angeles	83,866,037	131,529,788	12,343,079	5,534,627	222,204,277	7.0
Madera	839,380	1,532,121	198,121	23,665	2,545,957	9.5
Marin	3,272,329	6,102,567	298,510	205,115	9,468,291	6.5
Mariposa	210,227	207,876	24,335	3,145	439,293	7.3
Mendocino	885,169	1,302,198	105,129	45,094	2,247,402	8.7
Merced	1,386,083	2,321,300	282,929	50,344	3,939,968	7.0
Modoc	258,497	158,397	37,296	2,991	451,399	8.9
Mono	381,276	690,079	40,301	2,617	1,109,039	11.8
Monterey	3,371,034	5,719,592	595,110	114,700	9,571,036	8.3
Napa	1,174,933	2,100,031	181,303	106,478	3,349,989	9.3
Nevada	917,905	1,521,231	60,461	21,748	2,477,849	8.1
Orange	29,789,959	42,568,683	4,810,118	861,675	76,307,085	8.2
Placer	1,691,972	3,418,124	231,127	50,224	5,290,999	8.0
Plumas	339,756	734,794	36,102	8,141	1,102,511	9.0
Riverside	8,452,054	14,901,116	785,470	377,863	23,760,777	8.5
Sacramento	5,452,961	14,759,377	981,064	422,571	20,770,831	7.6
San Benito	332,891	466,770	56,444	5,968	850,137	9.1
San Bernardino	6,700,542	18,616,602	1,199,124	669,073	25,847,195	8.9
San Diego	22,511,944	35,434,212	3,173,584	1,106,098	60,013,642	8.9
San Francisco	8,134,966	17,725,998	1,465,453	1,033,477	26,292,940	12.3
San Joaquin	2,953,006	6,636,689	890,906	311,136	10,169,465	6.3
San Luis Obispo	2,276,866	4,335,691	403,467	41,615	6,974,409	14.2
San Mateo	7,665,632	15,547,913	2,258,521	689,668	24,782,398	7.7
Santa Barbara	4,385,705	6,300,945	644,292	273,563	11,057,379	7.3
Santa Clara	13,543,793	30,126,394	6,597,417	1,533,002	48,734,602	10.1
Santa Cruz	2,300,309	3,773,885	331,095	135,890	6,269,399	7.6
Shasta	1,145,439	2,537,739	211,396	52,270	3,862,304	7.2
Sierra	89,867	79,164	9,606	2,002	176,635	3.0
Siskiyou	545,749	729,730	107,559	13,954	1,369,084	8.7
Solano	2,235,987	4,272,560	481,466	88,542	6,901,471	8.8
Sonoma	4,938,533	6,566,936	495,452	164,177	11,836,744	11.3
Stanislaus	2,254,480	5,263,523	451,029	162,642	7,806,390	8.0
Sutter	884,041	1,001,495	167,609	25,192	2,027,953	3.0
Tehama	446,102	759,003	69,793	24,570	1,250,330	5.7
Trinity	175,303	187,562	22,309	1,724	383,450	9.5
Tulare	1,739,405	4,025,978	582,351	80,677	6,267,057	10.6
Tuolumne	461,561	820,266	56,134	18,012	1,319,949	7.3
Ventura	6,615,220	11,954,708	1,115,847	348,059	19,337,716	6.9
Yolo	1,082,767	2,294,843	231,377	45,330	3,563,657	7.2
Yuba	381,800	681,187	94,676	33,823	1,123,840	7.7
Totals	$286,857,015	$477,965,535	$49,341,680	$16,793,756	$797,370,474	8.2

[a] The value of the homeowners' exemption, $29,563,873,000, has been included in the valuations by type of property and excluded from exemptions because tax rates are set on assessed values which include it.

[b] Excludes railroad cars operated by private car companies, which were assessed at $554,614,000 and are subject to exclusive state taxation.

TABLE 6—ASSESSED VALUE OF STATE-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES, BY CLASS OF PROPERTY AND BY COUNTY, 1983–84

(In thousands of dollars)

County	Land	Improvements	Personal property [a]	Total	Percent change year to year
1	2	3	4	5	6
Alameda	$118,359	$1,353,406	$116,391	$1,588,156	11.1
Alpine	6,872	8,370	7	15,249	41.0
Amador	7,557	135,880	6,820	150,257	11.8
Butte	16,199	377,631	8,295	402,125	13.3
Calaveras	3,314	84,946	975	89,235	19.3
Colusa	1,851	64,395	1,612	67,858	14.6
Contra Costa	158,665	1,456,722	219,836	1,835,223	11.5
Del Norte	453	19,677	556	20,686	10.1
El Dorado	4,624	186,067	7,146	197,837	10.5
Fresno	81,260	1,694,202	22,090	1,797,552	18.1
Glenn	2,667	75,282	882	78,831	12.5
Humboldt	6,729	226,226	9,947	242,902	11.3
Imperial	13,869	121,993	8,429	144,291	27.7
Inyo	8,197	60,442	1,450	70,089	12.9
Kern	40,557	1,006,552	29,067	1,076,176	10.4
Kings	3,477	152,131	2,825	158,453	17.1
Lake	6,346	125,308	300	131,954	22.3
Lassen	5,898	56,649	6,453	69,000	17.6
Los Angeles	1,322,730	8,523,979	526,903	10,373,612	10.6
Madera	33,999	250,353	4,290	288,844	16.7
Marin	25,668	309,711	4,982	340,361	11.5
Mariposa	501	30,436	466	31,403	11.8
Mendocino	6,059	136,604	2,316	144,979	11.3
Merced	12,036	236,938	5,707	254,681	12.6
Modoc	1,981	43,901	4,858	50,740	13.0
Mono	4,771	41,972	1,168	47,911	19.6
Monterey	33,443	700,576	181,429	915,448	12.0
Napa	4,994	127,320	1,558	133,872	10.2
Nevada	11,177	152,651	2,592	166,420	3.3
Orange	192,290	2,272,719	196,352	2,661,361	13.0
Placer	34,260	315,228	18,541	368,029	9.9
Plumas	36,097	316,936	4,191	357,224	11.3
Riverside	77,146	1,127,311	84,056	1,288,513	27.6
Sacramento	84,112	974,443	59,576	1,118,131	12.6
San Benito	2,358	67,191	618	70,167	13.6
San Bernardino	157,508	2,248,376	187,535	2,593,419	21.1
San Diego	167,055	4,931,548	375,158	5,473,761	27.1
San Francisco	313,651	1,370,419	107,957	1,792,027	24.4
San Joaquin	176,103	578,424	36,144	790,671	9.7
San Luis Obispo	29,432	1,725,034	153,023	1,907,489	25.9
San Mateo	122,104	707,537	24,700	854,341	10.9
Santa Barbara	116,943	386,631	9,631	513,205	11.9
Santa Clara	164,520	1,473,703	43,765	1,681,988	16.8
Santa Cruz	8,959	208,537	1,756	219,252	8.3
Shasta	40,747	601,549	10,991	653,287	12.5
Sierra	4,168	13,276	227	17,671	−18.7
Siskiyou	16,909	117,701	12,638	147,248	9.3
Solano	21,902	343,381	6,321	371,604	13.3
Sonoma	14,596	721,323	12,794	748,713	21.7
Stanislaus	31,432	310,218	9,450	351,100	15.0
Sutter	4,484	110,222	1,702	116,408	14.7
Tehama	4,151	135,541	3,265	142,957	13.6
Trinity	955	31,532	511	32,998	12.3
Tulare	18,866	428,414	9,207	456,487	15.9
Tuolumne	5,089	107,923	4,185	117,197	11.1
Ventura	86,141	953,582	111,400	1,151,123	9.4
Yolo	25,911	195,351	9,928	231,190	15.2
Yuba	2,790	97,068	5,333	105,191	7.8
Totals	$3,904,932	$40,631,660	$2,680,305	$47,216,897	15.6

[a] Excludes railroad cars operated by private car companies, which were assessed at $554,614,000 and are subject to exclusive state taxation.

TABLE 7—ASSESSED VALUE OF COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES, INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY CLASS OF PROPERTY AND BY COUNTY, 1983–84 *

(In thousands of dollars)

County	Land	Improvements	Personal property	Exemptions	Net total	Percent change year to year
1	2	3	4	5	6	7
Alameda	$12,682,698	$16,483,935	$2,095,512	$925,601	$30,336,544	9.9
Alpine	43,631	58,686	3,630	263	105,684	5.0
Amador	290,545	405,222	63,123	5,337	753,553	5.4
Butte	1,459,023	2,265,543	289,971	95,203	3,919,334	6.8
Calaveras	423,876	549,152	30,321	7,854	995,495	8.0
Colusa	383,182	294,813	114,776	2,685	990,086	6.0
Contra Costa	8,284,693	16,053,276	851,471	281,397	24,906,043	9.1
Del Norte	164,443	232,532	36,905	6,299	427,581	7.6
El Dorado	1,259,722	2,472,955	98,465	42,434	3,788,708	6.6
Fresno	5,313,928	8,565,361	1,346,854	342,682	14,883,461	5.3
Glenn	469,541	369,038	96,311	6,413	928,477	3.8
Humboldt	933,556	1,383,622	200,362	59,167	2,658,373	9.7
Imperial	1,003,464	941,387	229,274	25,628	2,148,497	6.8
Inyo	566,485	251,834	39,412	13,801	844,730	5.2
Kern	14,367,782	8,510,805	969,618	231,051	23,817,154	5.8
Kings	688,227	1,020,481	200,684	36,771	1,872,621	9.0
Lake	1,277,658	715,594	61,407	15,590	2,039,069	26.3
Lassen	266,187	258,133	42,939	4,918	562,341	9.8
Los Angeles	82,543,307	123,005,809	11,816,176	5,534,627	211,830,665	6.8
Madera	805,381	1,281,566	193,831	23,665	2,257,113	8.7
Marin	3,246,661	5,792,856	293,528	205,115	9,127,930	6.4
Mariposa	209,726	177,440	23,869	3,145	407,890	7.0
Mendocino	879,110	1,165,594	102,813	45,094	2,102,423	8.5
Merced	1,374,047	2,084,362	277,222	50,344	3,685,287	6.7
Modoc	256,516	114,696	32,438	2,991	400,659	8.2
Mono	376,505	648,107	39,133	2,617	1,061,128	11.5
Monterey	3,337,591	5,019,016	413,681	114,700	8,655,588	7.9
Napa	1,169,939	1,972,711	179,945	106,478	3,216,117	9.3
Nevada	906,728	1,368,580	57,869	21,748	2,311,429	8.5
Orange	29,597,669	40,295,964	4,613,766	861,675	73,645,724	8.0
Placer	1,657,712	3,102,896	212,586	50,224	4,922,970	7.9
Plumas	303,659	417,858	31,911	8,141	745,287	8.0
Riverside	8,374,908	13,773,805	701,414	377,863	22,472,264	7.5
Sacramento	5,368,849	13,784,934	921,488	422,571	19,652,700	7.4
San Benito	330,533	399,579	55,826	5,968	779,970	8.7
San Bernardino	6,543,034	16,368,226	1,011,589	669,073	23,253,776	7.7
San Diego	22,344,889	30,502,664	2,798,426	1,106,098	54,539,881	7.3
San Francisco	7,821,315	16,355,579	1,357,496	1,033,477	24,500,913	11.5
San Joaquin	2,776,903	6,058,265	854,762	311,136	9,378,794	6.0
San Luis Obispo	2,247,434	2,610,657	250,444	41,615	5,066,920	10.3
San Mateo	7,543,528	14,840,376	2,233,821	689,668	23,928,057	7.6
Santa Barbara	4,268,762	5,914,314	634,661	273,563	10,544,174	7.1
Santa Clara	13,379,273	28,652,691	6,553,652	1,533,002	47,052,614	9.9
Santa Cruz	2,291,350	3,565,348	329,339	135,890	6,050,147	7.6
Shasta	1,104,692	1,956,190	200,405	52,270	3,209,017	6.2
Sierra	85,699	65,888	9,379	2,002	158,964	6.2
Siskiyou	528,840	612,029	94,921	13,954	1,221,836	8.6
Solano	2,214,085	3,929,179	475,145	88,542	6,529,867	8.5
Sonoma	4,923,937	5,845,613	482,658	164,177	11,088,031	10.7
Stanislaus	2,223,048	4,953,305	441,579	162,642	7,455,290	7.7
Sutter	879,557	891,273	165,907	25,192	1,911,545	2.4
Tehama	441,951	623,462	66,530	24,570	1,107,373	4.7
Trinity	174,348	156,030	21,796	1,724	350,452	9.3
Tulare	1,720,539	3,597,564	573,144	80,677	5,810,570	10.2
Tuolumne	456,472	712,343	51,949	18,012	1,202,752	7.0
Ventura	6,529,079	11,001,126	1,004,447	348,059	18,186,593	6.8
Yolo	1,056,856	2,099,492	221,449	45,330	3,332,467	6.7
Yuba	379,010	584,119	89,343	33,823	1,018,649	7.7
Totals	$282,952,083	$437,333,875	$46,661,375	$16,793,756	$750,153,577	7.7

* The value of the homeowners' exemption, $9,563,873,000, has been included in the valuations by type of property and excluded from exemptions because tax rates are set on assessed values which include it.

TABLE 8—NUMBER OF VETERANS' EXEMPTIONS AND EXEMPT VALUE OF VETERANS', COLLEGE, CHURCH, RELIGIOUS, AND WELFARE EXEMPTIONS, 1983–84

(Assessed values in thousands of dollars)

County	Number of Veterans' exemptions [a]	Exempt value			
		Veterans' [a]	College	Church	Religious
1	2	3	4	5	6
Alameda	284	$9,733	$60,210	$7,761	$123,370
Alpine	1	58	—	35	—
Amador	14	239	—	142	2,414
Butte	142	3,614	—	23,195	—
Calaveras	27	446	—	257	4,538
Colusa	13	124	—	2,346	—
Contra Costa	218	8,012	30,701	4,771	96,041
Del Norte [b]	28	297	—	38	4,581
El Dorado	80	2,916	—	1,180	11,886
Fresno [b]	248	5,416	8,384	23,801	84,169
Glenn	17	319	—	34	5,592
Humboldt [b]	66	1,477	—	4,220	12,296
Imperial	98	467	—	437	17,457
Inyo	11	114	3,663	4,670	87
Kern	326	2,881	—	20,193	79,568
Kings [b]	86	724	—	2,874	10,801
Lake	82	1,254	—	296	4,599
Lassen	36	579	—	—	3,598
Los Angeles [b]	1,760	46,673	958,674	204,059	841,659
Madera	161	628	—	653	12,284
Marin	98	3,927	35,331	13,812	23,130
Mariposa	25	604	—	889	148
Mendocino [b]	41	707	967	732	7,337
Merced	159	4,252	—	3,589	21,327
Modoc	16	88	—	7	1,116
Mono [b]	3	31	—	1,760	647
Monterey	239	9,238	3,371	9,765	29,721
Napa	48	1,555	22,583	3,712	19,587
Nevada [b]	78	2,184	—	783	7,411
Orange [b]	618	23,713	39,772	22,247	232,729
Placer	88	2,482	—	3,049	16,003
Plumas	17	623	—	4,203	—
Riverside [b]	476	14,661	29,562	1,675	97,800
Sacramento	514	17,658	9,901	34,810	98,961
San Benito	5	244	—	1,047	2,252
San Bernardino [b]	706	15,663	65,367	113,044	48,536
San Diego	1,330	48,939	54,002	37,190	186,898
San Francisco	117	3,581	96,158	35,009	111,593
San Joaquin	144	4,388	84,025	4,238	73,317
San Luis Obispo	74	2,068	173	5,799	15,996
San Mateo	162	6,210	202,415	13,984	78,973
Santa Barbara	148	5,613	14,573	11,220	48,222
Santa Clara	346	12,571	791,795	68,448	129,136
Santa Cruz	73	2,960	4,706	25,713	—
Shasta [b]	100	3,030	—	504	23,515
Sierra	6	126	—	—	495
Siskiyou	98	789	—	44	6,038
Solano [b]	330	11,785	—	2,659	16,996
Sonoma [b]	173	6,125	—	11,412	24,028
Stanislaus	131	2,836	3	10,405	60,694
Sutter	28	1,128	—	76	13,778
Tehama [b]	42	598	—	—	7,854
Trinity	14	89	—	58	1,146
Tulare [b]	114	1,809	—	13,517	38,981
Tuolumne	61	1,203	4	3,154	3,702
Ventura	189	7,439	32,709	20,747	76,764
Yolo	48	1,447	—	—	13,657
Yuba [b]	55	1,069	—	297	8,063
Totals	10,614	$309,446	$2,549,051	$785,579	$2,870,513

[a] Disabled veterans included in these figures numbered 7,973 with an exempt value of $301,939,000. Comparable figures for 1982–83 were 7,935 and $300,011,000.

[b] An additional exemption enacted by the Legislature in 1975, Section 155.20 of the Revenue and Taxation Code, permits counties to exempt property having low full value. The statute allows the exemption where the tax proceeds are less than the costs of administration, up to a full value of less than $1500. Seven counties adopted ordinances and exempted the following amounts on the 1983 rolls: Fresno, $416,000; Humboldt, $2,470,000; Kings, $373,000; Mendocino, $714,000; Sonoma, $6,847,000; Tehama, $606,000; and Yuba, $567,000. An additional ten counties: Del Norte, Los Angeles, Mono, Nevada, Orange, Riverside, San Bernardino, Shasta, Solano, and Tulare have adopted ordinances and exempt low value properties by assigning them a taxable value of zero.

TABLE 8—NUMBER OF VETERANS' EXEMPTIONS AND EXEMPT VALUE OF VETERANS', COLLEGE, CHURCH, RELIGIOUS, AND WELFARE EXEMPTIONS, 1983–84—Concluded

(Assessed values in thousands of dollars)

County	Exempt value				Total exempt value as percent of tax base [e]
	Welfare				
	Schools below college grade	Hospitals	Other charitable properties [c]	Total [d]	
7	8	9	10	11	12
Alameda	—	$326,064	$398,466	$925,604	2.9
Alpine	—	—	170	263	0.2
Amador	—	—	2,522	5,337	0.6
Butte	$2,614	50,739	10,044	95,203	2.2
Calaveras	205	—	2,434	7,880	0.7
Colusa	215	—	—	2,685	0.3
Contra Costa	25,715	70,940	45,217	281,397	1.1
Del Norte	341	—	1,210	6,467	1.4
El Dorado	1,226	15,739	9,487	42,434	1.1
Fresno	17,235	121,420	81,841	342,682	2.1
Glenn	182	—	286	6,413	0.6
Humboldt	3,583	16,272	16,546	56,864	2.0
Imperial	1,944	—	5,435	25,740	1.1
Inyo	762	—	3,705	13,001	1.4
Kern	13,332	92,396	22,004	230,374	0.9
Kings	4,479	11,398	6,122	36,771	1.8
Lake	176	3,283	5,980	15,590	0.7
Lassen	176	700	—	5,053	0.8
Los Angeles	297,859	1,761,604	1,424,099	5,534,627	2.5
Madera	226	5,874	4,000	23,665	0.9
Marin	30,268	27,839	71,763	206,070	2.2
Mariposa	226	—	1,278	3,145	0.7
Mendocino	3,589	10,995	20,038	45,099	2.0
Merced	2,347	13,854	4,975	50,344	1.3
Modoc	—	1,609	171	2,991	0.7
Mono	—	—	179	2,617	0.2
Monterey	20,509	4,418	37,678	114,700	1.2
Napa	10,844	35,849	12,348	106,478	3.2
Nevada	1,803	5,575	3,992	21,748	0.9
Orange	59,317	328,439	184,937	891,154	1.2
Placer	2,226	8,970	17,494	50,224	0.9
Plumas	—	—	3,311	8,137	0.7
Riverside	5,143	102,151	126,246	377,238	1.6
Sacramento	32,634	159,514	69,130	422,608	2.0
San Benito	1,065	—	1,360	5,968	0.7
San Bernardino	14,142	138,227	273,950	668,929	2.6
San Diego	65,180	311,185	402,699	1,106,093	1.8
San Francisco	116,399	360,835	309,963	1,033,538	3.9
San Joaquin	14,820	80,589	49,759	311,136	3.1
San Luis Obispo	4,080	—	13,479	41,615	0.6
San Mateo	54,709	137,432	195,957	689,660	2.8
Santa Barbara	36,848	66,587	90,496	273,563	2.5
Santa Clara	63,485	213,965	248,381	1,527,781	3.1
Santa Cruz	10,135	42,111	50,513	136,138	2.2
Shasta	3,415	17,045	4,737	32,246	1.4
Sierra	—	—	1,347	1,970	1.1
Siskiyou	—	2,786	4,297	13,954	1.0
Solano	5,762	37,628	13,710	88,543	1.3
Sonoma	13,261	60,973	40,950	165,596	1.4
Stanislaus	7,406	32,526	38,571	161,441	2.1
Sutter	2,239	6,674	1,297	25,192	1.2
Tehama	1,544	7,822	6,246	24,570	2.0
Trinity	89	—	348	1,730	0.5
Tulare	4,931	3,660	17,779	80,677	1.3
Tuolumne	128	6,258	3,563	18,012	1.4
Ventura	26,466	52,028	131,906	348,059	1.8
Yolo	3,826	19,870	6,530	45,330	1.3
Yuba	—	12,136	11,671	33,823	3.0
Totals	$989,105	$4,785,979	$4,512,619	$16,816,186	2.1

[c] General welfare agencies, youth service agencies and religious properties other than churches.

[d] Includes all enrolled exemptions except those arising from the homeowners' exemption law.

[e] The tax base includes the values of the homeowners' exemptions but excludes all other exemptions. Tax base is given in column 6 of Table 5.

TABLE 9—GROSS ASSESSED VALUE OF STATE- AND COUNTY-ASSESSED PROPERTY, NUMBER OF HOMEOWNERS' EXEMPTIONS, EXEMPT VALUE BY TYPE OF EXEMPTION, AND NET ASSESSED VALUE SUBJECT TO GENERAL PROPERTY TAXES, 1983–84 *

(Assessed values in thousands of dollars)

County	Gross assessed value	Number of homeowners' exemptions	Exempt value			Taxable assessed value (net of all exemptions)
			Homeowners'	All other	Total	
1	2	3	4	5	6	7
Alameda	$32,850,301	207,811	$1,453,498	$925,601	$2,379,099	$30,471,202
Alpine	121,196	160	1,119	263	1,382	119,814
Amador	909,147	5,126	35,842	5,337	41,179	867,968
Butte	4,416,662	31,939	223,047	95,203	318,250	4,098,412
Calaveras	1,092,584	5,723	40,055	7,854	47,910	1,044,674
Colusa	1,060,629	2,785	19,353	2,685	22,038	1,038,591
Contra Costa	27,024,663	154,005	1,077,210	281,397	1,358,607	25,666,056
Del Norte	454,566	3,737	25,665	6,299	31,964	422,602
El Dorado	4,028,979	19,235	134,541	42,434	176,975	3,852,004
Fresno	17,023,695	88,271	616,973	342,682	959,655	16,064,040
Glenn	1,013,721	4,439	30,922	6,413	37,335	976,386
Humboldt	2,960,442	21,059	147,413	59,167	206,580	2,753,862
Imperial	2,318,416	14,049	96,681	25,628	122,309	2,196,107
Inyo	927,820	2,922	20,109	13,001	33,110	894,710
Kern	25,124,381	75,919	324,356	231,051	755,407	24,368,974
Kings	2,067,845	12,217	84,464	36,771	121,235	1,946,610
Lake	2,196,613	10,489	72,681	15,590	83,271	2,098,342
Lassen	636,259	31,560	31,560	4,918	36,478	599,781
Los Angeles	227,738,904	1,159,059	8,107,485	5,534,627	13,642,112	214,096,792
Madera	2,569,622	12,419	86,508	23,665	110,173	2,459,449
Marin	9,673,406	48,369	337,082	205,115	542,197	9,131,209
Mariposa	442,438	2,525	17,587	3,145	20,732	421,706
Mendocino	2,292,496	13,611	95,120	45,094	140,214	2,152,282
Merced	3,990,312	22,634	157,737	50,344	208,081	3,782,231
Modoc	454,390	2,322	15,927	2,991	18,918	435,472
Mono	1,111,656	1,253	8,694	2,617	11,311	1,100,345
Monterey	9,685,736	43,280	302,931	114,700	417,631	9,268,105
Napa	3,456,467	19,404	135,763	106,478	242,241	3,214,226
Nevada	2,499,597	13,926	97,232	21,748	118,980	2,380,617
Orange	77,168,760	364,850	2,552,316	861,675	3,413,991	73,754,769
Placer	5,341,223	28,172	197,066	50,224	247,290	5,093,933
Plumas	1,110,652	4,241	29,501	8,141	37,642	1,073,010
Riverside	24,138,640	134,336	938,372	377,863	1,316,235	22,822,405
Sacramento	21,193,402	166,345	1,164,200	422,571	1,586,771	19,606,631
San Benito	856,105	4,363	30,531	5,968	36,499	819,606
San Bernardino	26,516,268	173,296	1,210,889	669,073	1,879,962	24,636,306
San Diego	61,119,740	309,923	2,169,324	1,106,098	3,275,422	57,844,318
San Francisco	27,326,417	96,043	671,957	1,033,477	1,705,434	25,620,983
San Joaquin	10,480,601	67,238	470,258	311,136	781,394	9,699,207
San Luis Obispo	7,016,024	28,858	201,833	41,615	243,448	6,772,576
San Mateo	25,472,066	126,116	882,730	689,663	1,572,396	23,899,668
Santa Barbara	11,330,942	50,580	354,025	273,563	627,588	10,703,354
Santa Clara	50,267,604	242,433	1,696,701	1,533,002	3,229,703	47,037,901
Santa Cruz	6,405,289	34,735	243,118	135,890	379,008	6,026,281
Shasta	3,914,574	24,365	170,238	52,270	222,508	3,692,066
Sierra	178,637	756	5,269	2,002	7,271	171,366
Siskiyou	1,383,038	9,736	67,402	13,954	81,356	1,301,682
Solano	6,990,013	46,698	326,833	88,542	415,375	6,574,638
Sonoma	12,000,931	61,546	430,822	164,177	594,999	11,405,922
Stanislaus	7,969,032	52,071	364,283	162,642	526,925	7,442,107
Sutter	2,053,145	10,474	73,259	25,192	98,451	1,954,694
Tehama	1,274,900	9,536	66,210	24,570	90,780	1,184,120
Trinity	385,174	2,719	18,911	1,724	20,635	364,539
Tulare	6,347,734	43,400	302,145	80,677	382,822	5,964,912
Tuolumne	1,337,961	5,062	56,272	18,012	74,284	1,263,677
Ventura	19,685,775	97,827	681,619	348,059	1,029,678	18,656,097
Yolo	3,608,987	19,251	134,519	45,330	179,849	3,429,138
Yuba	1,157,663	8,015	55,714	33,823	89,537	1,068,126
Totals	$814,164,230	4,256,233	$29,563,873	$16,793,756	$46,357,629	$767,806,601

* Business inventory exemptions, formerly shown in this table, are no longer available because inventories became totally exempt effective on the 1980–81 property tax rolls and are not enrolled.

TABLE 10—NET [a] STATE- AND COUNTY-ASSESSED VALUE OF PROPERTY SUBJECT TO GENERAL PROPERTY TAXES ON THE SECURED AND UNSECURED ROLLS, BY COUNTY, 1983–84

(In thousands of dollars)

County	Secured valuations			Unsecured valuations (local only) [b]	Total assessed value
	State-assessed	Locally assessed	Total		
1	2	3	4	5	6
Alameda	$1,588,156	$27,307,620	$28,895,776	$3,028,924	$31,924,700
Alpine	15,249	85,473	100,722	20,211	120,933
Amador	150,257	715,014	865,271	38,539	903,810
Butte	402,125	3,698,137	4,100,262	221,197	4,321,459
Calaveras	89,235	973,591	1,062,826	21,904	1,084,730
Colusa	67,858	928,973	996,831	61,113	1,057,944
Contra Costa	1,835,223	23,810,220	25,645,443	1,097,823	26,743,266
Del Norte	20,686	393,128	413,814	34,453	448,267
El Dorado	197,837	3,680,528	3,878,365	108,180	3,986,545
Fresno	1,797,552	13,824,925	15,622,477	1,058,536	16,681,013
Glenn	78,831	881,180	960,011	47,297	1,007,308
Humboldt	242,902	2,481,240	2,724,142	177,133	2,901,275
Imperial	144,291	1,942,129	2,086,420	206,368	2,292,788
Inyo	70,089	805,714	875,803	39,016	914,819
Kern	1,076,176	22,865,274	23,941,450	951,880	24,893,330
Kings	158,453	1,748,615	1,907,068	124,006	2,031,074
Lake	131,954	1,723,499	1,855,453	315,570	2,171,023
Lassen	69,000	529,679	598,679	32,662	631,341
Los Angeles	10,373,612	196,657,297	207,030,909	15,173,368	222,204,277
Madera	288,844	2,152,042	2,440,886	105,071	2,545,957
Marin	340,361	8,710,198	9,050,559	417,732	9,468,291
Mariposa	31,403	362,650	394,053	45,240	439,293
Mendocino	144,979	2,012,656	2,157,635	89,767	2,247,402
Merced	254,681	3,464,082	3,718,763	221,205	3,939,968
Modoc	50,740	383,263	434,003	17,396	451,399
Mono	47,911	979,296	1,027,207	81,832	1,109,039
Monterey	915,448	8,159,642	9,075,090	495,946	9,571,036
Napa	133,872	3,090,562	3,224,434	125,555	3,349,989
Nevada	166,420	2,228,259	2,394,679	83,170	2,477,849
Orange	2,661,361	67,430,179	70,091,540	6,215,545	76,307,085
Placer	368,029	4,703,907	5,071,936	219,063	5,290,999
Plumas	357,224	710,398	1,067,622	34,889	1,102,511
Riverside	1,288,513	21,648,340	22,936,853	823,924	23,760,777
Sacramento	1,118,131	18,540,542	19,658,673	1,112,158	20,770,831
San Benito	70,167	733,015	803,182	46,955	850,137
San Bernardino	2,593,419	21,910,744	24,504,163	1,343,032	25,847,195
San Diego	5,473,761	52,111,963	57,585,724	2,427,918	60,013,642
San Francisco	1,792,027	21,864,121	23,656,148	2,636,792	26,292,940
San Joaquin	790,671	8,740,681	9,531,352	638,113	10,169,465
San Luis Obispo	1,907,499	4,872,706	6,780,197	194,212	6,974,409
San Mateo	854,341	20,958,578	21,812,919	2,969,479	24,782,398
Santa Barbara	513,205	9,657,430	10,170,635	886,744	11,057,379
Santa Clara	1,681,988	41,555,050	43,237,038	5,497,564	48,734,602
Santa Cruz	219,252	5,777,451	5,996,703	272,696	6,269,399
Shasta	653,287	3,016,675	3,669,962	192,342	3,862,304
Sierra	17,671	139,643	157,314	19,321	176,635
Siskiyou	147,248	1,100,734	1,247,982	121,102	1,369,084
Solano	371,604	6,206,031	6,577,635	323,836	6,901,471
Sonoma	748,713	10,666,277	11,414,990	421,754	11,836,744
Stanislaus	351,100	7,006,538	7,357,638	448,752	7,806,390
Sutter	116,408	1,797,001	1,913,409	114,544	2,027,953
Tehama	142,957	1,066,110	1,209,067	41,263	1,250,330
Trinity	32,998	322,578	355,576	27,874	383,450
Tulare	456,487	5,397,243	5,853,730	413,327	6,267,057
Tuolumne	117,197	1,154,301	1,271,498	48,451	1,319,949
Ventura	1,151,123	16,961,660	18,112,783	1,224,933	19,337,716
Yolo	231,190	3,087,291	3,318,481	245,176	3,563,657
Yuba	105,191	945,409	1,050,600	73,240	1,123,840
Totals	$47,216,897	$696,677,484	$743,894,381	$53,476,093	$797,370,474

[a] Includes the value of the homeowners' exemption but excludes "all other" exemptions.

[b] All state-assessed property is on the secured roll.

TABLE 11—ASSESSED VALUE* OF STATE- AND COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY INCORPORATED CITIES, 1983–84

(In thousands of dollars)

City	Assessed value		City	Assessed value		City	Assessed value	
	State	Local		State	Local		State	Local
1	2	3	1	2	3	1	2	3
Adelanto	9,429	54,839	Cathedral City	29,818	426,435	Fairfax	4,004	217,507
Agoura Hills	28,353	620,185	Ceres	13,321	294,952	Fairfield	65,204	1,358,582
Alameda	51,692	1,495,261	Cerritos	62,733	1,747,214	Farmersville	3,082	48,991
Albany	19,709	338,797	Chico	70,827	715,516	Ferndale	2,069	23,972
Alhambra	143,137	1,485,324	Chino	50,622	864,280	Fillmore	7,065	140,042
Alturas	6,813	51,515	Chowchilla	6,200	73,913	Firebaugh	3,829	45,690
Amador	284	3,724	Chula Vista	289,337	1,881,699	Folsom	16,411	324,667
Anaheim	336,361	7,539,030	Claremont	40,431	715,037	Fontana	51,577	809,355
Anderson	9,238	118,350	Clayton	6,099	154,523	Fort Bragg	9,007	165,724
Angels	6,276	38,537	Clearlake	15,057	207,414	Fort Jones	2,521	11,058
Antioch	46,047	944,037	Cloverdale	4,819	71,395	Fortuna	7,338	151,287
Arcadia	38,326	1,632,179	Clovis	35,452	784,886	Foster City	13,946	1,035,012
Arcata	14,658	236,539	Coachella	11,571	122,275	Fountain Valley	30,950	1,578,402
Arroyo Grande	12,754	302,277	Coalinga	5,115	100,221	Fowler	4,614	45,213
Artesia	39,647	262,160	Colfax	3,336	25,423	Fremont	153,099	4,124,191
Arvin	3,791	53,804	Colma	5,685	61,479	Fresno	358,232	5,961,735
Atascadero	19,731	460,275	Colton	47,395	442,008	Fullerton	109,857	3,517,389
Atherton	10,753	559,732	Colusa	6,455	78,192	Galt	4,307	79,770
Atwater	13,538	224,198	Commerce	202,268	1,267,237	Gardena	32,317	1,107,981
Auburn	25,936	249,139	Compton	110,542	1,038,511	Garden Grove	86,977	2,874,227
Avalon	4,144	118,386	Concord	151,682	3,070,048	Gilroy	23,528	594,288
Avenal	15,471	38,397	Corcoran	4,791	74,401	Glendale	101,655	4,143,829
Azusa	22,489	651,754	Corning	6,559	83,292	Glendora	31,435	911,625
Bakersfield	182,117	3,261,402	Corona	65,586	1,111,589	Gonzales	3,418	88,599
Baldwin Park	47,992	633,691	Coronado	23,156	837,015	Grand Terrace	51,283	200,757
Banning	17,029	242,677	Corte Madera	6,962	341,934	Grass Valley	16,121	178,042
Barstow	68,506	269,330	Costa Mesa	76,800	3,252,770	Greenfield	2,540	46,923
Beaumont	14,126	130,881	Cotati	3,997	96,875	Gridley	4,318	65,476
Bell	31,091	319,968	Covina	62,377	958,373	Grover City	5,083	177,184
Bellflower	52,134	893,889	Crescent City	7,034	85,058	Guadalupe	3,679	32,876
Bell Gardens	26,998	270,425	Cudahy	4,762	138,888	Gustine	2,919	71,671
Belmont	17,314	861,013	Culver City	84,355	1,815,801	Half Moon Bay	8,838	251,319
Belvedere	2,480	204,743	Cupertino	35,443	1,808,893	Hanford	25,400	424,036
Benicia	20,005	927,261	Cypress	140,881	1,053,724	Hawaiian Gardens	5,218	152,450
Berkeley	87,618	2,343,469	Daly City	66,885	1,649,384	Hawthorne	72,287	1,664,071
Beverly Hills	88,330	3,678,887	Danville	38,462	1,188,568	Hayward	186,178	2,927,288
Big Bear Lake	14,480	508,805	Davis	40,267	857,927	Healdsburg	10,829	230,956
Biggs	1,427	17,628	Delano	13,851	183,612	Hemet	43,283	671,195
Bishop	10,730	119,202	Del Mar	6,275	272,012	Hercules	52,972	290,326
Blue Lake	1,373	14,796	Del Rey Oaks	1,385	37,289	Hermosa Beach	38,989	677,975
Blythe	15,421	111,386	Desert Hot Springs	14,106	211,551	Hidden Hills	1,179	135,285
Bradbury	583	48,747	Dinuba	7,723	129,299	Hillsborough	11,378	990,568
Brawley	8,661	198,007	Dixon	8,030	160,951	Hollister	13,642	261,530
Brea	30,912	1,656,301	Dorris	1,831	9,579	Holtville	2,770	49,138
Brentwood	7,814	82,451	Dos Palos	3,375	42,175	Hughson	2,207	38,752
Brisbane	59,504	122,126	Downey	92,035	1,939,515	Huntington Beach	362,179	5,933,317
Buena Park	93,773	1,687,300	Duarte	10,197	419,620	Huntington Park	54,781	507,143
Burbank	75,626	3,191,232	Dublin	12,582	558,324	Huron	2,061	23,251
Burlingame	95,401	1,384,884	Dunsmuir	3,874	31,092	Imperial	2,310	44,787
Calexico	7,480	174,217	El Cajon	73,751	1,846,775	Imperial Beach	15,152	300,406
California City	4,943	170,763	El Centro	22,979	402,455	Indian Wells	7,178	542,264
Calipatria	2,316	21,906	El Cerrito	19,818	547,391	Indio	39,208	533,574
Calistoga	4,497	89,944	El Monte	67,599	1,282,099	Industry	86,977	1,424,778
Camarillo	56,844	1,608,517	El Segundo	220,282	3,297,594	Inglewood	71,492	1,658,675
Campbell	22,296	1,068,277	Emeryville	29,113	479,668	Ione	2,774	22,500
Capitola	14,831	286,556	Escalon	4,011	77,548	Irvine	162,091	5,564,515
Carlsbad	334,473	1,921,970	Escondido	93,176	1,907,476	Irwindale	23,526	326,401
Carmel	9,170	360,396	Etna	817	10,647	Isleton	1,954	9,663
Carpinteria	16,260	313,582	Eureka	41,855	525,359	Jackson	6,310	58,629
Carson	94,195	3,418,189	Exeter	6,173	102,863	Kerman	3,825	66,465

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TABLE 11—ASSESSED VALUE* OF STATE- AND COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY INCORPORATED CITIES, 1983–84—Continued

(In thousands of dollars)

City	Assessed value		City	Assessed value		City	Assessed value	
	State	Local		State	Local		State	Local
1	2	3	1	2	3	1	2	3
King City	6,674	114,768	Monterey Park	60,535	1,311,431	Rancho Mirage	28,282	1,205,415
Kingsburg	4,744	101,977	Monte Sereno	2,123	164,538	Rancho Palos Verdes	42,808	1,656,988
La Canada Flintridge	37,436	767,170	Moraga	13,460	572,204	Red Bluff	17,941	200,779
Lafayette	24,110	972,291	Morgan Hill	22,760	563,675	Redding	88,779	1,241,489
Laguna Beach	25,021	1,090,884	Morro Bay	204,380	290,328	Redlands	87,550	1,077,541
La Habra	49,166	1,219,445	Mountain View	89,156	2,417,119	Redondo Beach	289,541	2,214,979
La Habra Heights	9,158	260,637	Mount Shasta	4,351	75,318	Redwood City	113,789	1,934,877
Lake Elsinore	15,329	225,801	Napa	54,801	1,238,638	Reedley	13,333	188,884
Lakeport	10,973	107,969	National City	48,457	730,331	Rialto	70,658	732,699
Lakewood	45,925	1,569,739	Needles	11,014	63,603	Richmond	127,583	3,060,546
La Mesa	64,840	1,203,825	Nevada City	4,921	67,404	Ridgecrest	21,568	333,109
La Mirada	26,594	1,087,740	Newark	25,100	907,472	Rio Dell	2,107	31,760
Lancaster	61,508	1,152,060	Newman	4,232	53,138	Rio Vista	4,814	100,871
La Palma	8,540	444,679	Newport Beach	67,208	5,706,195	Ripon	3,696	116,119
La Puente	56,872	364,293	Norco	13,248	423,389	Riverbank	5,485	125,453
La Quinta	2,683	312,177	Norwalk	86,805	1,221,935	Riverside	135,551	3,915,850
Larkspur	19,576	501,759	Novato	54,874	1,402,483	Rocklin	19,726	279,236
La Verne	23,946	610,522	Oakdale	10,295	236,747	Rohnert Park	21,266	662,237
Lawndale	10,610	412,830	Oakland	615,285	8,089,570	Rolling Hills	2,594	213,928
Lemon Grove	18,362	366,849	Oceanside	101,396	2,188,766	Rolling Hills Estates	5,645	601,277
Lemoore	6,751	177,898	Ojai	9,763	215,089	Rosemead	127,416	633,717
Lincoln	6,462	87,881	Ontario	168,658	2,335,654	Roseville	66,292	795,486
Lindsay	8,318	115,800	Orange	160,650	3,255,655	Ross	2,290	154,764
Live Oak	3,783	36,752	Orange Cove	2,171	35,756	Sacramento	535,751	6,901,592
Livermore	50,666	1,206,676	Orland	5,768	79,558	St. Helena	9,119	217,806
Livingston	4,896	87,868	Oroville	24,504	254,806	Salinas	97,570	1,687,395
Lodi	31,453	948,281	Oxnard	481,158	2,302,380	San Anselmo	7,445	395,068
Loma Linda	14,791	273,477	Pacifica	26,420	787,921	San Bernardino	265,119	2,412,125
Lomita	22,793	414,092	Pacific Grove	9,749	418,246	San Bruno	57,949	1,050,935
Lompoc	15,742	460,397	Palmdale	32,505	619,175	San Carlos	36,856	1,223,367
Long Beach	942,747	11,509,800	Palm Desert	34,567	1,272,208	San Clemente	35,087	1,341,164
Los Alamitos	11,086	360,150	Palm Springs	88,874	2,482,264	Sand City	658	26,005
Los Altos	24,344	1,149,461	Palo Alto	110,547	3,354,586	San Diego	1,330,643	25,867,216
Los Altos Hills	8,189	489,878	Palos Verdes Estates	12,866	951,644	San Dimas	38,268	711,772
Los Angeles	3,293,331	83,243,156	Paradise	22,814	485,640	San Fernando	30,412	315,584
Los Banos	11,128	218,698	Paramount	42,661	702,091	San Francisco	1,792,027	24,500,913
Los Gatos	42,712	1,158,040	Parlier	2,816	28,833	San Gabriel	27,551	623,340
Loyalton	1,058	11,962	Pasadena	143,134	3,591,959	Sanger	10,885	187,018
Lynwood	18,800	571,105	Paso Robles	16,489	324,680	San Jacinto	9,796	128,271
Madera	28,300	359,378	Patterson	4,677	91,147	San Joaquin	1,353	14,035
Manhattan Beach	25,880	1,616,520	Perris	30,812	139,207	San Jose	751,967	18,802,653
Manteca	22,245	505,851	Petaluma	35,265	871,569	San Juan Bautista	1,689	22,820
Maricopa	1,039	9,856	Pico Rivera	54,185	883,614	San Juan Capistrano	32,466	934,897
Marina	10,366	238,818	Piedmont	5,308	453,101	San Leandro	125,826	2,328,467
Martinez	32,119	829,950	Pinole	11,519	387,037	San Luis Obispo	49,959	893,766
Marysville	26,395	235,114	Pismo Beach	6,491	223,095	San Marcos	30,329	697,563
Maywood	4,228	176,648	Pittsburg	33,825	735,395	San Marino	7,977	693,061
McFarland	3,456	43,047	Placentia	40,220	987,389	San Mateo	97,386	3,280,262
Mendota	3,334	43,902	Placerville	17,391	189,955	San Pablo	12,469	337,184
Menlo Park	39,056	1,478,017	Pleasant Hill	24,961	894,115	San Rafael	98,860	1,901,028
Merced	50,309	829,609	Pleasanton	41,031	1,319,441	Santa Ana	259,080	5,508,144
Millbrae	26,091	702,021	Plymouth	1,785	7,322	Santa Barbara	107,738	2,764,454
Mill Valley	24,571	573,326	Point Arena	537	7,912	Santa Clara	141,089	4,510,014
Milpitas	64,103	1,541,851	Pomona	154,534	1,882,201	Santa Cruz	47,534	1,315,590
Modesto	116,694	2,853,273	Porterville	24,250	405,337	Santa Fe Springs	66,225	1,745,728
Monrovia	40,919	722,886	Port Hueneme	11,112	394,255	Santa Maria	49,089	1,146,493
Montague	2,462	18,150	Portola	4,389	34,031	Santa Monica	228,958	4, 52,532
Montclair	17,957	529,297	Portola Valley	4,694	272,873	Santa Paula	16,126	352,062
Montebello	132,325	1,112,839	Poway	34,382	1,002,414	Santa Rosa	164,616	2,691,868
Monterey	48,588	1,089,451	Rancho Cucamonga	234,114	1,779,227	Santee	34,709	845,104

TABLE 11—ASSESSED VALUE * OF STATE- AND COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY INCORPORATED CITIES, 1983–84—Concluded

(In thousands of dollars)

City	Assessed value	
	State	Local
1	2	3
Saratoga	25,185	1,266,666
Sausalito	10,914	541,217
Scotts Valley	10,882	292,304
Seal Beach	43,135	950,001
Seaside	16,386	317,255
Sebastopol	7,896	168,965
Selma	11,763	168,487
Shafter	5,211	74,292
Sierra Madre	9,337	264,708
Signal Hill	13,900	593,553
Simi Valley	70,861	2,151,271
Soledad	5,360	39,465
Sonoma	6,050	216,745
Sonora	12,524	105,111
South El Monte	9,104	393,710
South Gate	46,620	1,138,768
South Lake Tahoe	23,878	1,039,096
South Pasadena	21,280	627,072
South San Francisco	55,808	2,151,282
Stanton	29,840	480,169
Stockton	210,435	3,607,051
Suisun	6,540	241,309
Sunnyvale	148,606	5,120,833
Susanville	11,171	119,698
Sutter Creek	2,909	38,862
Taft	11,884	90,495
Tehachapi	6,015	62,257
Tehama	442	5,835
Temple City	15,257	585,017
Thousand Oaks	120,454	3,606,561
Tiburon	8,308	414,580
Torrance	177,712	5,237,486
Tracy	28,353	484,249
Trinidad	1,136	13,379
Tulare	32,122	434,809
Tulelake	1,087	10,169
Turlock	26,854	631,906
Tustin	26,197	1,432,579
Ukiah	19,318	286,874
Union City	39,602	1,121,416
Upland	65,193	1,304,448
Vacaville	35,176	974,566
Vallejo	69,774	1,430,462
Ventura	102,227	2,506,888
Vernon	70,840	1,190,366
Victorville	51,384	434,792
Villa Park	4,322	289,121
Visalia	72,596	1,330,209
Vista	46,775	384,253
Walnut	29,183	397,313
Walnut Creek	86,487	2,723,878
Wasco	6,851	93,013
Waterford	2,793	43,484
Watsonville	25,437	523,430
Weed	3,511	38,993
West Covina	41,577	1,963,843
Westlake Village	8,243	457,715
Westminster	85,434	1,609,698
Westmorland	355	9,542
Wheatland	2,158	19,560
Whittier	89,726	1,688,674
Williams	1,927	25,660
Willits	7,101	102,689
Willows	7,361	77,292
Winters	3,015	45,540
Woodlake	3,187	39,631
Woodland	27,555	685,293
Woodside	9,445	419,735
Yorba Linda	34,126	1,182,841
Yountville	2,684	40,116
Yreka	12,043	181,773
Yuba City	29,150	475,876
Grand totals	$27,344,185	$549,236,997

* These values are net of "all other exemptions" (see Table 8) but include the values of the homeowners' exemption because tax rates for the support of city governments are set on assessed valuations which include them and local governments are reimbursed by the State for them.

Note: Detail may not add to total due to rounding.

TABLE 12A—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION, BY TYPE OF COMPANY, 1983–84

(In thousands of dollars)

Type of company	Assessed value
1	2
UNDER PROVISIONS OF SECTION 751 OF THE REVENUE AND TAXATION CODE	
Telephone and telegraph	$20,466,193
Gas and electric	23,801,087
Intercounty pipelines, flumes, canals, ditches, and aqueducts	700,290
Car	7,899
Railroad	2,241,427
Total	$47,216,896
UNDER PRIVATE CAR TAX LAW	
Private cars	554,614
Grand total	$47,771,510

TABLE 12B—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO LOCAL TAXATION, BY COMPANY, 1983–84

(In thousands of dollars)

Name of company	Assessed value
1	2
TELEPHONE AND TELEGRAPH COMPANIES	
American Satellite Company	$20,060
American Telephone & Telegraph Long Lines	431,965
Calaveras Telephone Company	3,002
California-Oregon Telephone Company	1,310
Capay Valley Telephone System, Inc.	816
Citizens Utilities Company of California (Water)	24,472
Citizens Utilities Company of California (Tel.)	111,838
Communications Satellite Corporation	16,221
Comsat General Corporation	5,000
Continental Telephone Company of California	356,131
Dorris Telephone Company	2,918
Ducor Telephone Company	1,414
Evans Telephone Company	4,256
Foresthill Telephone Company	2,411
General Telephone Company of California	3,972,539
G.T.E. Satellite Corporation	13,445
G.T.E. Sprint Communications Corporation	161,645
Happy Valley Telephone Company	4,800
Hornitos Telephone Company	612
I.T.T. World Communications, Inc.	21,433
Kerman Telephone Company	4,200
Livingston Tel· hone Company	4,750
Mariposa Cou Telephone Company, Inc.	6,910
M.C.I. Telecom unications Corporation	74,863
Pacific Telepho... & Telegraph Company, The	14,792,347
Pinnacles Telephone Company	225
Ponderosa Telephone Company, The	13,001
R.C.A. American Communications, Inc.	50,022
R.C.A. Global Communications, Inc.	15,840
Roseville Telephone Company	85,015
Sierra Telephone Company, Inc.	11,209
Siskiyou Telephone Company, The	7,595
Telephone Utilities of Eastern Oregon, Inc.	165
Tuolumne Telephone Company, Inc.	12,521
United States Transmission Systems, Inc.	9,864
Volcano Telephone Company, The	10,977
West Coast Telephone Company of California	13,771
Western Union International, Inc.	7,900
Western Union Telegraph Company, The	149,519
51 Radio-telephone companies	39,211
Total for telephone and telegraph companies	$20,466,193

TABLE 12B—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO LOCAL TAXATION, BY COMPANY, 1983–84—Continued

(In thousands of dollars)

Name of company	Assessed value
1	2
GAS AND ELECTRIC COMPANIES	
Anza Electric Cooperative, Inc.	$5,502
Bay Point Light & Power Inc.	754
C.P. National Corporation	35,741
Pacific Gas and Electric Company	11,099,253
Pacific Lighting Gas Supply Company	499,029
Pacific Power and Light Company	84,124
Plumas-Sierra Rural Electric Co-op	8,824
San Diego Gas and Electric Company	2,462,276
Sierra Pacific Power Company	54,702
Southern California Edison Company	8,308,753
Southern California Gas Company	1,068,970
Southern California Water Company	114,685
Southwest Gas Corporation	40,000
Surprise Valley Electrification Corporation	8,416
Valley Electric Association, Inc.	58
Total for gas and electric companies	$23,801,087
INTERCOUNTY PIPE LINES, FLUMES, CANALS, DITCHES, AND AQUEDUCTS [a]	
Beacon Oil Company	$1,600
Calnev Pipe Line Company	44,000
Casitas Pipeline Company	4,100
Chevron U.S.A., Inc.	73,500
City of Riverside	6,574
Cuyama Pipeline Company	950
Dow Chemical Company, The	7,700
Exxon Company, U.S.A.	1,250
Four Corners Pipe Line Company	110,400
Getty Oil Company	93,206
Gulf Oil Corporation	2,850
Kerr-McGee Chemical Corporation	1,800
Kings County Canal Company	460
Mobil Oil Corporation	56,000
Powerine Oil Company	1,600
Riverside Highland Water Company	200
San Diego Pipeline Company	13,000
San Luis Canal Company	2,150
Shell California Production, Inc.	10,000
Shell Oil Company	35,500
Southern Pacific Pipe Lines, Inc.	157,000
Standard Pacific Gas Line, Inc.	23,000
Standard Pipe Line Company	2,550
Texaco, Inc.	1,600
Union Oil Company of California	48,500
Vallecitos Pipeline Company	175
West Riverside Canal	610
2 companies with an assessed value of less than $100,000 each	15
Total for intercounty pipe lines, etc.	$700,290

[a] All other taxable property owned by these companies is locally assessed.

TABLE 12B—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO LOCAL TAXATION, BY COMPANY, 1983–84—Concluded

(In thousands of dollars)

Name of company	Assessed value
1	2
CAR COMPANIES [b]	
ACF Industries, Inc., Shippers Car Line Division	$4
General American Transportation Corp.	3,342
North American Car Corporation	2,559
Pacific Fruit Express Company	1,937
Union Tank Car Company	57
Total for car companies	$7,899
RAILROAD COMPANIES	
Alameda Belt Line	$2,055
Almanor Railroad Company	530
Amador Central Railroad Company	6,115
Arcata and Mad River Rail Road Company, The	3,111
Atchison, Topeka, & Santa Fe Railway Company, The	499,602
Burlington Northern, Inc.	4,829
California Western Railroad	1,528
Camino, Placerville & Lake Tahoe Railroad Company	4,550
Central California Traction Company	3,758
Holton Inter-Urban Railway Company	701
Los Angeles Junction Railway Company	13,000
McCloud River Railroad Company	8,334
Modesto and Empire Traction Company	23,576
Northwestern Pacific Railroad Company	25,802
Oakland Terminal Railway, The	677
Parr Terminal Railroad	82
Petaluma and Santa Rosa Railroad Company	2,162
Port Railroads, Inc.	480
Quincy Railroad Company	841
Sacramento Northern Railway	22,574
San Diego and Arizona Eastern Railroad Company	1,409
San Diego and Arizona Eastern Transportation Company	4,000
Santa Maria Valley Railroad Company	4,832
Sierra Railroad Company	7,123
Southern Pacific Transportation Company	1,247,224
Stockton Terminal and Eastern Railroad	13,115
Sunset Railway Company	1,172
Tidewater Southern Railway Company	2,732
Trona Railway Company	30,095
Union Pacific Corporation	186,835
Ventura County Railway Company	1,967
Visalia Electric Railroad Company	1,144
Western Pacific Railroad Company, The	112,061
Yreka Western Railroad Company	3,381
Total for railroad companies	$2,241,427

[b] Property at fixed locations which is not subject to the private car tax. Excludes the value of private cars operated on the railroads, for which see Table 17A.

TABLE 13—ASSESSMENT RATIOS, "COLLIER FACTORS", AND COEFFICIENTS OF DISPERSION

Determination of ratios was suspended by the Board in 1978–79 due to lack of data needed to ascertain the proper assessed values under Proposition 13 passed at the June 6, 1978 general election. Since the coefficients of dispersion currently available to the Board are based upon pre-Proposition 13 assessment criteria, their publication has also been suspended until completion of new surveys.

TABLE 14—1982–83 GENERAL PROPERTY TAX LEVIES AS COMPILED FOR COMPUTATION OF THE AVERAGE TAX RATE

(Levies and assessed values in thousands of dollars)

County	Net taxable [a] assessed value	Property tax allocations and levies [b]					Average tax rate	
		City	County [c]	School [c]	Other [d] district	Total [d]	1982–83	1981–82
1	2	3	4	5	6	7	8	9
Alameda	$27,570,579	$81,361	$98,610	$96,505	$74,532	$351,008	1.273%	1.270%
Alpine	110,383	—	834	276	84	1,194	1.082	1.091
Amador	814,111	331	3,753	4,306	208	8,598	1.056	1.070
Butte	3,805,945	3,315	8,170	23,835	5,511	40,831	1.073	1.066
Calaveras	958,010	90	2,939	6,088	1,612	10,729	1.120	1.124
Colusa	973,919	417	3,665	5,216	880	10,178	1.045	1.050
Contra Costa	23,396,079	29,239	65,485	89,414	87,076	271,214	1.159	1.174
Del Norte	390,896	92	1,295	2,163	345	3,895	.996	.981
El Dorado	3,602,067	2,688	12,077	16,533	8,768	40,066	1.112	1.130
Fresno	15,037,694	21,183	49,821	73,354	22,020	166,378	1.106	1.106
Glenn	933,151	595	3,245	5,367	698	9,905	1.061	1.078
Humboldt	2,495,367	3,135	9,262	12,723	3,381	28,521	1.143	1.127
Imperial	2,028,939	3,131	6,970	10,685	1,133	21,919	1.080	1.092
Inyo	845,419	181	3,191	4,650	832	8,854	1.047	1.057
Kern	22,972,300	11,076	102,424	102,482	28,488	244,470	1.064	1.068
Kings	1,769,803	1,450	8,423	7,592	1,869	19,334	1.092	1.118
Lake	1,651,474	551	6,074	7,785	3,142	17,552	1.063	1.059
Lassen	539,780	282	1,626	3,869	407	6,184	1.146	1.109
Los Angeles	199,650,802	424,359	949,940	500,386	371,956	2,246,641	1.125	1.137
Madera	2,240,029	1,159	6,273	15,205	2,283	24,920	1.112	1.097
Marin	8,548,849	12,078	26,137	40,537	14,160	92,912	1.087	1.073
Mariposa	392,547	—	1,306	2,387	260	3,953	1.007	1.008
Mendocino	1,973,772	810	8,300	11,201	1,606	21,917	1.110	1.109
Merced	3,524,304	3,109	14,332	15,939	3,759	37,139	1.054	1.072
Modoc	398,814	139	1,530	2,198	278	4,145	1.039	1.045
Mono	983,298	—	4,200	3,351	2,932	10,483	1.066	1.093
Monterey	8,535,396	9,058	24,173	45,399	11,199	89,829	1.052	1.059
Napa	2,929,842	3,696	8,985	17,741	2,864	33,286	1.136	1.130
Nevada	2,198,238	712	6,530	11,916	4,852	24,010	1.092	1.126
Orange	68,023,737	96,590	138,040	411,612	142,944	789,186	1.160	1.195
Placer	4,704,659	2,514	14,992	25,147	9,327	51,980	1.105	1.119
Plumas	982,088	90	2,734	5,710	1,359	9,893	1.007	1.011
Riverside	20,989,204	20,815	66,077	103,433	53,744	244,069	1.163	1.171
Sacramento	18,140,501	22,901	71,944	66,063	42,500	203,408	1.121	1.197
San Benito	750,580	510	1,729	5,350	1,128	8,717	1.161	1.172
San Bernardino	22,533,057	27,033	72,922	97,099	75,860	272,914	1.211	1.215
San Diego	52,947,617	82,160	139,834	311,111	57,159	590,264	1.115	1.133
San Francisco	22,739,254	—	227,534	22,732	16,358	266,624	1.173	1.195
San Joaquin	9,097,543	12,699	37,287	34,732	13,876	98,594	1.084	1.100
San Luis Obispo	5,909,880	5,206	20,913	37,886	3,427	67,432	1.141	1.153
San Mateo	22,128,743	30,705	55,746	121,007	25,348	232,806	1.052	1.066
Santa Barbara	9,955,141	6,085	30,530	52,445	18,540	107,600	1.081	1.092
Santa Clara	42,570,815	59,248	129,128	250,502	62,654	501,532	1.178	1.167
Santa Cruz	5,583,965	4,515	16,129	31,307	7,110	59,061	1.058	1.078
Shasta	3,433,179	2,872	9,446	21,263	3,223	36,804	1.072	1.093
Sierra	166,451	32	1,045	414	198	1,689	1.015	1.020
Siskiyou	1,193,406	1,019	4,212	6,308	670	12,209	1.023	1.025
Solano	6,023,702	13,175	24,204	23,182	7,975	68,536	1.138	1.165
Sonoma	10,206,580	10,477	36,636	53,566	9,941	110,620	1.084	1.095
Stanislaus	6,861,979	6,140	19,194	43,393	3,865	72,592	1.058	1.069
Sutter	1,897,068	1,490	6,668	9,611	1,811	19,580	1.032	1.056
Tehama	1,117,990	787	4,307	6,381	471	11,946	1.069	1.091
Trinity	331,534	—	1,281	2,167	223	3,671	1.107	1.126
Tulare	5,367,392	3,979	23,365	24,585	4,289	56,218	1.047	1.057
Tuolumne	1,174,871	178	4,611	6,782	1,157	12,728	1.083	1.080
Ventura	17,409,392	14,807	55,297	78,848	49,237	198,089	1.138	1.146
Yolo	3,190,204	5,462	10,848	16,621	4,037	36,968	1.159	1.172
Yuba	988,492	646	4,136	5,123	1,337	11,242	1.137	1.134
Totals	$707,690,851	$1,046,392	$2,670,259	$3,013,483	$1,276,903	$8,007,037	1.131%	1.144%

[a] These are the assessed values on which general property taxes were actually levied in 1982–83. Excluded are exemptions totaling $44,860,873,000 as follows: homeowners', $29,421,069,000; and all other, $15,439,804,000.

[b] The county levies at a rate of 1 percent of assessed value have been allocated among the jurisdictions receiving a portion of those levies. Excluded are the State reimbursements to local governments of $331,635,000 for the homeowners' exemption described in footnote a and $497,459,000 for business inventories which beginning with the 1980–81 year are no longer assessed.

[c] County levies for school purposes such as junior college tuition and countywide school levies are included with school levies.

[d] Includes debt levies on land and/or improvements only. Also includes the portion of the 1 percent levy allocated to jurisdictions previously taxing less than total property.

TABLE 15—1982–83 GENERAL PROPERTY TAX DOLLAR [a], BY COUNTY

County	Property tax dollars				
	City	County [b]	School purpose [b]	Other districts	Total
1	2	3	4	5	6
Alameda	$.23	$.28	$.28	$.21	$1.00
Alpine	—	.70	.23	.07	1.00
Amador	.04	.44	.50	.02	1.00
Butte	.06	.20	.58	.14	1.00
Calaveras	.01	.27	.57	.15	1.00
Colusa	.04	.36	.51	.09	1.00
Contra Costa	.11	.24	.33	.32	1.00
Del Norte	.02	.33	.56	.09	1.00
El Dorado	.07	.30	.41	.22	1.00
Fresno	.13	.30	.44	.13	1.00
Glenn	.06	.33	.54	.07	1.00
Humboldt	.11	.32	.45	.12	1.00
Imperial	.14	.32	.49	.05	1.00
Inyo	.02	.36	.53	.09	1.00
Kern	.04	.42	.42	.12	1.00
Kings	.07	.44	.39	.10	1.00
Lake	.03	.35	.44	.18	1.00
Lassen	.04	.26	.63	.07	1.00
Los Angeles	.19	.42	.22	.17	1.00
Madera	.05	.25	.61	.09	1.00
Marin	.13	.28	.44	.15	1.00
Mariposa	—	.33	.60	.07	1.00
Mendocino	.04	.38	.51	.07	1.00
Merced	.08	.39	.43	.10	1.00
Modoc	.03	.37	.53	.07	1.00
Mono	—	.40	.32	.28	1.00
Monterey	.10	.27	.51	.12	1.00
Napa	.11	.27	.53	.09	1.00
Nevada	.03	.27	.50	.20	1.00
Orange	.12	.18	.52	.18	1.00
Placer	.05	.29	.48	.18	1.00
Plumas	.01	.27	.58	.14	1.00
Riverside	.09	.27	.42	.22	1.00
Sacramento	.11	.35	.33	.21	1.00
San Benito	.06	.30	.51	.13	1.00
San Bernardino	.10	.27	.35	.28	1.00
San Diego	.14	.24	.53	.09	1.00
San Francisco	—	.85	.09	.06	1.00
San Joaquin	.13	.38	.35	.14	1.00
San Luis Obispo	.08	.31	.56	.05	1.00
San Mateo	.13	.24	.52	.11	1.00
Santa Barbara	.06	.28	.49	.17	1.00
Santa Clara	.12	.26	.50	.12	1.00
Santa Cruz	.08	.27	.53	.12	1.00
Shasta	.08	.25	.58	.09	1.00
Sierra	.02	.62	.24	.12	1.00
Siskiyou	.08	.35	.52	.05	1.00
Solano	.19	.35	.34	.12	1.00
Sonoma	.10	.33	.48	.09	1.00
Stanislaus	.09	.26	.60	.05	1.00
Sutter	.08	.34	.49	.09	1.00
Tehama	.07	.36	.53	.04	1.00
Trinity	—	.35	.59	.06	1.00
Tulare	.07	.41	.44	.08	1.00
Tuolumne	.02	.36	.53	.09	1.00
Ventura	.07	.28	.40	.25	1.00
Yolo	.15	.29	.45	.11	1.00
Yuba	.06	.37	.45	.12	1.00
Average	$.13	$.33	$.38	$.16	$1.00

[a] Includes special assessments levied on limited categories of property to finance activities from which such properties derived special benefits.

[b] County levies for school purposes such as junior college tuition and countywide school levies are included with school levies.

TABLE 16—Discontinued.

In previous reports this table presented data on several types of property which received special tax treatment, such as private aircraft, documented vessels, and baled cotton.

TABLE 17A—ASSESSED VALUE OF PRIVATE CARS ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO EXCLUSIVE STATE TAXATION, BY COMPANY, 1983–84

Name of company	Assessed value (in thousands)	Amount of tax
1	2	3
PRIVATE CARS		
ACF Industries, Incorporated	$29,526	$330,391
ADM Transportation Company	6,944	77,699
Allied Chemical Corporation	2,173	24,314
Amoco Chemicals Corporation	1,895	21,205
Amoco Oil Company	1,161	12,987
Andrews Gas Liquids Services	1,227	13,728
ARCO Petroleum Products Company	1,283	14,360
ARCO Chemical Company	1,077	12,052
Borden Chemical, Div. of Borden Inc.	1,136	12,707
California Railcar Corporation	1,741	19,483
Celtran, Inc.	1,817	20,329
Chevron USA, Inc.	8,878	99,345
Chicago Freight Car Leasing Company	1,178	13,187
Cities Service Company	967	10,819
Columbian Chemicals Company	943	10,557
Conoco	2,772	31,021
Crystal Car Line, Inc.	2,316	25,919
Dow Chemical Company, The	8,616	96,409
Du Pont de Nemours, E. I. & Company	4,412	49,372
Ethyl Corporation	1,051	11,759
Evans Railcar Leasing Company	12,137	135,809
Exxon Chemical Americas	1,813	20,291
Exxon Company USA	2,215	24,788
Farmland Industries, Inc.	1,542	17,261
FMC Corp., Industrial Chemical Group	852	9,530
Foster Poultry Farms, Inc.	907	10,152
Fruit Growers Express Company	4,813	53,856
General American Transportation Corporation	47,118	527,245
Georgia-Pacific Corporation (Plaquemine Div.)	1,022	11,432
GLNX Corporation	1,553	17,381
Granite Rock Company	2,740	30,664
Gulf Oil Corporation	1,289	14,427
Itel Corporation, Rail Division	1,952	21,846
Kerr-McGee Chemical Corporation	4,476	50,085
Koppers Company, Inc.	2,472	27,659
Mobil Oil Company	4,718	52,798
Monsanto Company	3,052	34,148
North American Car Corporation	49,995	559,440
Northern Petrochemical Company	1,006	11,260
Occidental Chemical Corporation	860	9,626
Pacific Fruit Express Company	2,266	25,353
Phillips Petroleum Company	2,508	28,066
Pillsbury Company	1,539	17,220
PPG Industries, Inc.	802	8,979
Pullman Leasing Company	11,233	125,693
Rail Box Company	43,041	481,627
RAILGON Company	5,138	57,495
REMX Corporation	1,633	18,276
Richmond Leasing Company	5,269	58,955
Shell Oil Company	6,631	74,203
Soltex Polymer Corporation	1,072	11,996
Stauffer Chemical Company	1,033	11,557
Tennessee Eastman Co., Div. of Eastman Kodak Co.	1,396	15,619
Trailer Train Company	154,375	1,727,451
Transportation Corporation of America	1,159	12,970
Trinity Industries Leasing Company	3,998	44,743
Trinity Railcar Leasing Corporation	1,024	11,460
Union Carbide Corporation	2,802	31,356
Union Sugar Company	790	8,839
Union Tank Car Company	37,939	424,538
United Equipment Leasing Associates	4,060	45,435
United States Leasing International, Inc.	4,685	52,427
United States Rail Services, Inc.	2,134	23,874
WFIX Partners	1,599	17,894
Xtra, Inc.	764	8,544
181 other companies with an assessed value under $750,000 each	28,079	314,218
Totals for private cars	$554,614	$6,206,129

TABLE 17B—PRIVATE CAR TAX ASSESSMENTS, TAX RATES, AND TAX LEVIES, 1938–40 TO 1983–84

Fiscal year	Average number of cars	Assessed value [a] (000 omitted)	Average assessed value per car [a]	Tax rate per $100 assessed value [b]	Amount of tax [c] (000 omitted)
1	2	3	4	5	6
1983–84	22,596	$554,614	$24,545	$1.119	$6,206
1982–83	18,688	581,697	31,127	1.13	6,573
1981–82	16,142	528,235	32,724	1.14	6,022
1980–81	16,143	109,696	6,795	4.62	5,068
1979–80	14,514	90,701	6,249	4.70	4,263
1978–79	17,483	87,393	4,999	4.85	4,239
1977–78	18,388	78,154	4,213	11.19	8,754
1976–77	18,962	78,660	4,148	11.33	8,915
1975–76	18,003	75,632	4,202	11.24	8,505
1974–75	18,648	71,251	3,801	11.15	7,946
1973–74	17,111	64,101	3,681	11.44	7,334
1972–73	15,157	50,255	3,316	11.43	5,701
1971–72	14,977	44,196	2,951	10.85	4,552
1970–71	15,091	41,766	2,768	9.93	4,148
1969–70	15,088	39,809	2,638	9.39	3,739
1968–69	14,756	43,421	2,943	8.90	3,865
1967–68	14,559	37,627	2,584	7.79	2,931
1966–67	13,872	32,986	2,378	7.51	2,477
1965–66	14,436	30,243	2,095	7.29	2,205
1964–65	14,534	28,855	1,985	6.99	2,017
1963–64	14,562	26,679	1,832	6.92	1,846
1962–63	15,639	26,506	1,695	6.82	1,808
1961–62	16,182	26,807	1,657	6.54	1,753
1960–61	16,055	25,894	1,613	6.44	1,668
1959–60	15,953	25,848	1,620	6.24	1,613
1958–59	16,867	30,573	1,813	5.60	1,712
1957–58	17,108	29,826	1,743	5.33	1,590
1956–57	17,168	27,435	1,598	5.19	1,424
1955–56	17,644	26,136	1,481	5.09	1,330
1954–55	17,993	26,534	1,475	4.90	1,301
1953–54	17,092	25,378	1,485	4.81	1,222
1952–53	16,051	23,524	1,466	4.79	1,127
1951–52	16,511	21,974	1,331	4.95	1,089
1950–51	17,068	19,186	1,124	4.64	891
1945–50	16,382	17,426 [d]	1,064	3.99	3,510
1940–45	13,259	12,630 [d]	953	3.63	2,286
1938–40	13,734	11,579 [d]	843	3.66	848

[a] Includes materials and supplies held, stored, or used in the State for the purpose of repairing, improving, servicing, or operating the cars. Escape assessments for prior years are not included in the computation of the average assessed value per car.

[b] Based on the statewide average tax rate for the preceding year.
The ratio of assessed value to taxable value was changed to 100 percent (from 25 percent) beginning with the lien date for 1981–82 and the tax rate was adjusted downward proportionately.

[c] Includes interest, penalties and escape assessments from prior years.

[d] Average total assessed value for the period.

TABLE 18—STATE SALES AND USE TAX COLLECTIONS AND NUMBER OF PERMITS, 1933–35 TO 1982–83
(Collections in thousands of dollars)

Fiscal year	Collections [a]			Number of outstanding permits [c]
	Taxes	Fees [b]	Total	
1	2	3	4	5
1982–83	$7,795,554	$475	$7,796,029	763,685
1981–82	7,689,139	448	7,689,587	724,352
1980–81	7,131,482	409	7,131,891	673,876
1979–80	6,658,425	365	6,658,790	658,822
1978–79	5,810,484	310	5,810,794	634,758
1977–78	5,028,658	308	5,028,966	596,477
1976–77	4,311,425	272	4,311,698	571,659
1975–76	3,737,838	252	3,738,090	536,545
1974–75	3,372,966	231	3,373,197	510,232
1973–74	2,673,570 [d]	205	2,673,775 [d]	484,655
1972–73	2,197,083 [e]	193	2,197,276 [e]	472,457
1971–72	1,991,992	193	1,992,185	452,033
1970–71	1,796,956	186	1,797,142	437,731
1969–70	1,751,658	171	1,751,829	420,766
1968–69	1,634,612	156	1,634,768	412,563
1967–68	1,389,943 [f]	145	1,390,088 [f]	399,100
1966–67	1,053,251	138	1,053,389	395,321
1965–66	1,096,165 [g]	145	1,096,310 [g]	389,115
1964–65	939,651	146	939,797	377,746
1963–64	876,946	128	877,074	369,261
1962–63	813,313	120	813,433	360,976
1961–62	749,375	117	749,492	353,520
1960–61	710,931	119	711,050	351,727
1959–60	709,749	118	709,867	342,322
1958–59	631,409	115	631,524	333,998
1957–58	605,208	102	605,310	326,124
1956–57	599,789	102	599,891	320,486
1955–56 [h]	564,348	103	564,451	310,780
1954–55	492,879	108	492,987	305,537
1953–54	464,969	107	465,076	298,108
1952–53	460,196	98	460,294	289,620
1951–52	417,326	95	417,421	285,659
1950–51	398,261	101	398,362	285,598
1945–50	1,316,653 [i]	615	1,317,268 [i]	270,231
1940–45	665,100 [j]	303	665,403 [j]	179,067
1935–40	426,422 [k]	518 [l]	426,940 [k]	186,473 [m]
1933–35	89,661 [n]	282	89,943 [n]	185,748

[a] Collections include taxes, fees, interest, and penalties less refunds. Tax collections in one quarter are based mainly on taxable transactions during the preceding quarter. Transfers from the Motor Vehicle Fuel Fund of sales taxes on gasoline subject to refund of fuel tax are included.

[b] The $1 fee for issuance of a seller's permit was eliminated effective July 1, 1966, and the reinstatement fee for a revoked permit was set at $15. Prior to that date, a $25 fee was required for reinstatement of a permit revoked for the third time within any two-year period.

[c] As of December 31 for each fiscal year.

[d] Effective July 1, 1973 the state tax rate was increased from 3¾ percent to 4¼ percent. On October 1, 1973 the tax rate was reduced to 3¾ percent for six months. Effective April 1, 1974 the tax rate was again increased to 4¼ percent.

[e] Effective July 1, 1972, the state tax rate was decreased from 4 percent to 3¾ percent.

[f] Effective August 1, 1967, the state tax rate was increased from 3 percent to 4 percent.

[g] Includes almost $100 million resulting from legislation effective August 1, 1965, requiring some 34,000 taxpayers with monthly taxable sales of $17,000 or more to prepay their quarterly sales and use tax.

[h] The Board began to administer the Bradley-Burns Local Sales and Use Tax Law effective April 1, 1956, at a rate of 1 percent. The law provided for local option and thus it was not adopted by all cities and counties until January 1, 1962. See Table 21C for details.

[i] Effective July 1, 1949, the tax rate was increased from 2½ percent to 3 percent.

[j] Effective July 1, 1943, the tax rate was reduced from 3 percent to 2½ percent and substantial additions were made to the list of exempt transactions.

[k] Effective July 1, 1935, the tax rate was increased from 2½ percent to 3 percent; sales of food for human consumption, except when served as meals, were exempted; and a 3 percent use tax was imposed.

[l] All outstanding licenses expired on July 31, 1935, and were reissued only after payment of a fee of $1 if renewed on or before July 31st and $1.50 if renewed thereafter.

[m] Effective July 1, 1939, all persons selling tangible personal property of a kind whose retail sale is subject to tax were required to secure a permit for each of their outlets, whether or not they engaged in the business of making retail sales. Prior to this time, only retailers were required to secure permits.

[n] The state sales tax was first imposed August 1, 1933 at a rate of 2½ percent.

TABLE 19—STATE SALES AND USE TAX STATISTICS, BY TYPE OF BUSINESS, 1982–83

Type of business	Taxable transactions [a]			State sales tax (in thousands)	Number of permits on June 30, 1983 [b]
	Amount (in thousands)	Percent of total	Percent change from year to year		
1	2	3	4	5	6
Retail Stores					
Women's apparel	$1,857,452	1.17	−9.4	$88,229	8,166
Men's apparel	915,051	0.58	1.8	43,465	2,727
Family apparel	1,388,346	0.88	11.1	65,946	4,500
Shoes	1,208,034	0.76	3.5	57,382	4,063
Apparel stores group	5,368,883	3.39	0.0	255,022	19,456
Limited-price variety	540,751	0.34	8.1	25,686	974
Department and dry goods	12,777,092	8.06	4.2	606,912	3,615
Drug stores [c]	3,140,677	1.98	4.4	149,182	4,348
Other general merchandise	464,389	0.29	−5.0	22,058	1,472
General merchandise stores	16,922,909	10.68	4.1	803,838	10,409
Gifts, art goods, and novelties	627,971	0.40	5.2	29,829	7,232
Sporting goods	928,776	0.59	6.3	44,117	4,515
Florists	360,041	0.23	7.0	17,102	3,450
Photographic equipment and supplies	370,741	0.23	0.7	17,610	989
Musical instruments	955,825	0.60	5.8	45,402	2,636
Stationery and books	1,342,200	0.85	7.3	63,755	5,406
Jewelry	827,943	0.52	2.8	39,327	4,112
Office, store, and school supplies	3,745,173	2.36	16.9	177,896	4,594
Other specialties	2,639,556	1.67	10.1	125,379	19,986
Specialty stores group	11,798,226	7.45	9.9	560,416	52,920
Food stores selling all types of liquors [c]	8,005,274	5.05	9.8	380,251	4,600
All other food stores [c]	2,597,256	1.64	−2.6	123,370	16,476
Packaged liquor stores	1,955,454	1.23	−3.4	92,884	5,760
Eating places: no alcoholic beverages	5,243,747	3.31	6.7	249,078	26,104
Eating places: beer and wine	3,087,734	1.95	10.8	146,667	17,242
Eating and drinking: all types of liquor	5,476,961	3.46	3.7	260,156	10,909
Eating and drinking group	13,808,442	8.72	6.4	655,901	54,255
Household and home furnishings	2,803,771	1.77	0.1	133,179	14,939
Household appliance dealers	1,955,716	1.23	15.2	92,897	4,219
Second-hand merchandise	184,982	0.12	3.0	8,787	3,964
Farm implement dealers	880,657	0.56	−15.3	41,831	1,102
Farm and garden supply stores	879,227	0.55	2.0	41,763	3,538
Fuel and ice dealers	336,737	0.21	0.4	15,995	740
Lumber and building materials	3,250,575	2.05	4.7	154,402	3,796
Hardware stores	1,376,226	0.87	19.5	65,371	2,201
Plumbing and electrical supplies	697,995	0.44	7.0	33,155	1,325
Paint, glass, and wallpaper	643,625	0.41	4.1	30,572	1,952
Building material group	5,968,421	3.77	8.3	283,500	9,274
New motor vehicle dealers	13,934,045	8.79	12.1	661,867	2,417
Used motor vehicle dealers	876,228	0.55	8.2	41,621	3,552
Automotive supplies and parts	2,377,557	1.50	9.1	112,934	7,805
Service stations	13,343,661	8.42	−11.7	633,824	14,272
Mobile homes, trailers, and campers	596,968	0.38	7.5	28,356	1,266
Boat, motorcycle, and plane dealers	970,963	0.61	5.1	46,121	2,558
Automotive group	32,099,422	20.26	0.3	1,524,723	31,870
Retail Stores Totals	$105,565,377	66.63	3.8	$5,014,353	233,522
Business and Personal Services	6,325,176	3.99	6.4	300,446	83,697
All Other Outlets	46,544,204	29.38	−1.9	2,210,850	445,596
Totals All Outlets	$158,434,757	100.00	2.1	$7,525,651 [d]	764,815
HISTORICAL DATA					
Comparable data for all outlets:					
1981–82	$153,124,201	—	4.0	$7,368,400	740,577
1980–81	149,196,635	—	7.8	7,086,840	698,080
1979–80	138,350,647	—	13.5	6,571,656	673,679
1978–79	121,902,213	—	15.3	5,790,355	642,152

[a] Sales or purchases made with minor exceptions during the fiscal year as reported on returns received from Aug. 6, 1982 through Aug. 4, 1983.

[b] A separate permit is required for each outlet of each person selling tangible personal property of a kind whose retail sale is subject to tax.

[c] Only sales subject to sales and use tax are tabulated. Excluded are sales of food for home consumption and prescription medicines.

[d] In addition, the Board assessed state taxes of $172,168,000 and penalties and interest of $31,161,000.

TABLE 20—STATE SALES AND USE TAX STATISTICS, BY COUNTY, 1982–83

County	Taxable sales of retail stores (in thousands)	Taxable sales of all outlets [a]			State tax (in thousands)	Number of permits on June 30, 1983 [b]
		Amount (in thousands)	Percent of total	Percent change from 1981–82		
1	2	3	4	5	6	7
Alameda	$4,748,034	$7,379,694	4.66	5.0 [c]	$350,535	33,464
Alpine	3,443	7,583			360	44
Amador	70,976	91,061	0.06	3.3	4,325	1,107
Butte	596,198	764,927	0.48	2.7	36,334	5,032
Calaveras	57,008	78,963	0.05	−7.3	3,751	1,034
Colusa	51,057	94,733	0.06	−16.0	4,500	488
Contra Costa	3,053,024	4,090,658	2.58	2.0	193,831	18,654
Del Norte	53,528	71,781	0.05	−5.1	3,410	749
El Dorado	339,846	420,801	0.27	2.2	19,988	3,804
Fresno	2,414,184	3,326,632	2.10	3.7	158,015	14,930
Glenn	69,777	106,032	0.07	−10.1	5,037	693
Humboldt	440,125	589,135	0.37	6.1	27,984	4,231
Imperial	343,372	479,166	0.30	−17.2	22,760	2,632
Inyo	101,485	138,386	0.09	−3.3	6,573	837
Kern	1,961,902	3,118,852	1.97	−9.8	148,145	11,524
Kings	298,584	386,539	0.24	−1.5	18,361	1,791
Lake	128,413	179,795	0.11	7.0	8,540	1,562
Lassen	60,060	87,544	0.06	0.4	4,158	867
Los Angeles	31,699,071	48,602,603	30.68	−1.8	2,308,624	233,544
Madera	196,684	312,723	0.20	0.9	14,854	1,883
Marin	1,063,777	1,417,787	0.89	6.8	67,345	9,424
Mariposa	20,514	59,354	0.04	6.3	2,819	497
Mendocino	276,304	382,464	0.24	1.8	18,167	3,064
Merced	488,773	634,196	0.40	3.6	30,124	3,072
Modoc	28,695	38,418	0.02	−4.8	1,825	395
Mono	59,760	84,062	0.05	−3.0	3,993	596
Monterey	1,230,776	1,629,364	1.03	−2.9	77,395	8,301
Napa	379,920	540,194	0.34	9.1	25,659	3,293
Nevada	201,224	275,911	0.17	0.0	13,106	2,708
Orange	9,752,452	14,629,564	9.23	2.8	694,904	72,867
Placer	599,737	761,236	0.48	8.6	36,159	4,503
Plumas	57,699	77,727	0.05	−1.0	3,692	992
Riverside	2,901,778	3,766,367	2.38	4.4	178,902	21,081
Sacramento	3,856,595	5,204,506	3.28	9.6	247,214	22,592
San Benito	69,376	107,659	0.07	1.5	5,114	702
San Bernardino	3,618,668	4,842,519	3.06	3.8	230,020	29,398
San Diego	7,856,588	10,976,550	6.93	2.9	521,386	52,904
San Francisco	3,638,944	5,764,150	3.64	3.0	273,797	27,990
San Joaquin	1,496,262	2,039,906	1.29	4.9	96,896	8,509
San Luis Obispo	683,937	891,476	0.56	6.5	42,345	6,813
San Mateo	3,067,470	4,796,112	3.03	5.2	227,815	18,918
Santa Barbara	1,413,766	1,913,893	1.21	2.1	90,910	11,681
Santa Clara	6,806,156	10,639,326	6.72	10.0	505,368	40,385
Santa Cruz	781,142	1,021,061	0.64	9.5	48,500	7,133
Shasta	526,677	716,204	0.45	4.2	34,020	4,461
Sierra	5,484	8,950	0.01	−2.2	425	137
Siskiyou	129,077	180,510	0.11	−3.9	8,574	1,717
Solano	903,013	1,144,745	0.72	10.5	54,375	5,383
Sonoma	1,348,109	1,823,673	1.15	5.5	86,624	11,040
Stanislaus	1,168,086	1,636,037	1.03	5.1	77,712	7,891
Sutter	212,276	279,621	0.18	−8.1	13,282	1,602
Tehama	156,787	193,476	0.12	1.3	9,190	1,307
Trinity	25,391	35,610	0.02	3.3	1,691	328
Tulare	962,136	1,334,483	0.84	6.2	63,388	6,917
Tuolumne	124,743	163,083	0.10	0.5	7,746	1,914
Ventura	2,144,938	2,811,834	1.77	1.7	133,562	15,632
Yolo	461,920	726,528	0.46	−4.5	34,510	3,113
Yuba	163,296	207,862	0.13	−1.4	9,873	1,410
Statewide	194,360	4,360,731	2.75	8.9	207,135	5,075
Totals	$105,565,377	$158,434,757	100.00	2.1	$7,525,651 [d]	764,815

[a] Sales or purchases made, with minor exceptions, during the fiscal year, as reported on returns received from Aug. 6, 1982 through Aug. 4, 1983.

[b] A separate permit is required for each outlet at which retail sales are made of any kind of tangible personal property which is subject to tax.

[c] Percentage change not shown for Alpine County because its small base, 0.005% of the statewide total, is subject to wide swings fluctuations that are not regarded as significant.

[d] In addition, the Board assessed state taxes of $172,166,000 and penalties and interest of $31,161,000.

TABLE 21A—REVENUES DISTRIBUTED TO CITIES AND COUNTIES FROM LOCAL SALES AND USE TAXES AND THE STATE CIGARETTE TAX, 1982–83

(In dollars)

Jurisdiction	Revenue distributed	
	Local sales and use taxes	State cigarette tax[b]
1	2	3
Alameda County	7,368,738	405,110
Alameda	2,561,048	171,981
Albany	747,445	42,747
Berkeley	6,265,923	324,819
Dublin	2,520,005	81,729
Emeryville	2,090,716	59,411
Fremont	6,540,624	389,273
Hayward	9,316,805	380,977
Livermore	1,793,353	127,430
Newark	2,322,068	109,783
Oakland	20,320,269	1,076,574
Piedmont	58,904	19,421
Pleasanton	2,071,315	109,110
San Leandro	9,364,684	334,345
Union City	1,494,556	107,788
Total	74,836,453	3,740,498
Alpine County	80,560	4,516
Amador County	372,607	19,772
Amador	4,218	333
Ione	71,750	5,799
Jackson	330,407	13,303
Plymouth	22,889	1,758
Sutter Creek	127,339	5,740
Total	929,210	45,705
Butte County	2,514,727	138,812
Biggs	17,436	2,818
Chico	2,671,855	108,509
Gridley	418,309	17,134
Paradise	1,308,559	47,242
Oroville	763,451	57,965
Total	7,694,537	372,480
Calaveras County	598,901	32,392
Angels	211,384	9,104
Total	810,285	41,496
Colusa County	463,069	25,706
Colusa	420,598	17,538
Williams	134,413	6,044
Total	1,018,100	49,288
Contra Costa County	6,868,920	371,467
Antioch	2,153,403	128,537
Brentwood	221,913	13,666
Clayton	50,757	8,848
Concord	9,375,683	392,911
Danville[a]	542,773	93,350
El Cerrito	1,338,455	70,917
Hercules	16,932	11,349
Lafayette	1,050,976	68,561
Martinez	734,514	58,194
Moraga	361,512	34,161
Pinole	837,593	43,858
Pittsburg	1,014,385	83,970
Pleasant Hill	2,943,967	114,179
Richmond	4,509,595	254,180
San Pablo	1,366,935	69,387
Walnut Creek	6,191,939	245,350
Total	39,580,252	2,062,985
Del Norte County	238,066	13,697
Crescent City	513,914	17,852
Total	751,980	31,549
El Dorado County	1,390,648	70,719
Placerville	1,175,700	40,199
South Lake Tahoe	1,764,657	80,601
Total	4,331,005	191,519
Fresno County	5,768,761	303,141
Clovis	1,975,903	106,760
Coalinga	470,115	23,221
Firebaugh	291,084	13,734
Fowler	143,949	8,275
Fresno	21,220,730	926,242
Huron	88,492	6,936
Kerman	319,265	14,588
Kingsburg	259,414	15,497
Mendota	218,706	14,596
Orange Cove	91,356	9,398
Parlier	101,999	10,836
Reedley	715,068	36,920
Sanger	597,528	36,669
San Joaquin	118,306	6,473
Selma	779,853	38,798
Total	33,160,529	1,572,084
Glenn County	384,587	21,319
Orland	363,961	16,047
Willows	357,823	17,470
Total	1,106,371	54,836
Humboldt County	1,229,994	64,542
Arcata	658,646	39,959
Blue Lake	10,251	2,328
Eureka	3,299,541	120,058
Ferndale	63,625	3,987
Fortuna	510,910	25,565
Rio Dell	50,147	5,834
Trinidad	26,762	1,355
Total	5,849,876	263,628
Imperial County	1,126,576	65,470
Brawley	860,773	48,602
Calexico	898,043	52,757
Calipatria	109,063	7,198
El Centro	1,729,682	86,257
Holtville	99,661	10,127
Imperial	182,387	10,640
Westmorland	48,384	4,066
Total	5,054,569	285,117
Inyo County	574,782	30,166
Bishop	867,258	27,373
Total	1,442,040	57,539
Kern County	14,973,977	785,770
Arvin	255,497	18,649
Bakersfield	15,141,447	564,535
California City	27,766	5,564
Delano	1,095,691	56,908
Maricopa	38,656	2,663
McFarland	77,782	11,241
Ridgecrest	1,055,334	59,320
Shafter	410,232	22,579
Taft	1,011,471	34,189
Tehachapi	318,696	13,804
Wasco	356,514	26,115
Total	34,763,063	1,601,357
Kings County	984,396	52,602
Avenal	124,811	10,187
Corcoran	503,995	23,389
Hanford	1,928,059	83,438
Lemoore	391,035	26,185
Total	3,932,296	195,801
Lake County	906,504	48,916
Clearlake	435,216	33,105
Lakeport	467,611	17,751
Total	1,839,331	99,772
Lassen County	356,881	19,749
Susanville	558,892	24,579
Total	915,773	43,328
Los Angeles County	33,543,675	1,764,545
Agoura Hills[a]	141,772	18,149
Alhambra	4,020,169	213,821
Arcadia	4,280,627	181,424
Artesia	772,713	43,114
Avalon	236,253	9,881
Azusa	1,625,685	92,086
Baldwin Park	1,279,059	122,633
Bell	925,115	67,239
Bellflower	2,782,807	161,424
Bell Gardens	929,569	83,527
Beverly Hills	7,211,244	231,182
Bradbury	269	1,449
Burbank	8,031,923	335,637
Carson	7,639,000	326,574
Cerritos	7,149,067	257,573
Claremont	890,210	79,168
Commerce	10,933,397	281,996
Compton	2,501,783	206,607
Covina	3,831,592	164,162
Cudahy	610,940	46,884
Culver City	6,738,952	413,502
Downey	6,730,330	300,825
Duarte	510,109	44,109
El Monte	5,372,062	275,093
El Segundo	2,297,889	106,841
Gardena	3,743,019	170,172
Glendale	11,442,218	518,929
Glendora	2,229,616	119,748
Hawaiian Gardens	513,515	30,524
Hawthorne	5,243,105	225,014
Hermosa Beach	961,266	53,938
Hidden Hills	5,424	3,226
Huntington Park	2,683,140	147,432
Industry	8,524,791	204,580
Inglewood	4,987,285	286,271
Irwindale	966,175	22,917
La Canada Flintridge	886,133	33,777
La Habra Heights	22,099	8,993
Lakewood	4,323,868	229,366
La Mirada	2,347,140	126,839
Lancaster	4,032,619	182,059
La Puente	1,248,925	83,217
La Verne	767,500	61,193
Lawndale	1,202,607	70,907
Lomita	625,083	47,834
Long Beach	19,066,161	1,094,494
Los Angeles	189,724,730	13,991,208
Lynwood	1,696,176	127,868
Manhattan Beach	2,244,987	111,154
Maywood	474,259	50,569
Monrovia	2,109,970	102,788
Montebello	3,713,510	182,859
Monterey Park	2,447,196	156,651
Norwalk	4,832,341	262,536
Palmdale	906,469	48,275
Palos Verdes Estates	146,837	28,465
Paramount	3,186,200	144,007
Pasadena	10,772,571	465,548
Pico Rivera	2,370,471	153,791
Pomona	6,322,653	322,616
Rancho Palos Verdes	308,021	74,829
Redondo Beach	3,140,477	180,602
Rolling Hills	19,847	3,973
Rolling Hills Estates	1,079,235	39,025
Rosemead	1,853,504	119,677
San Dimas	716,393	61,537
San Fernando	1,274,656	61,623
San Gabriel	2,219,176	105,785
San Marino	249,487	29,167
Santa Fe Springs	7,895,100	223,781
Santa Monica	9,850,151	626,940
Sierra Madre	141,289	21,837
Signal Hill	2,594,322	74,315

TABLE 21A—REVENUES DISTRIBUTED TO CITIES AND COUNTIES FROM LOCAL SALES AND USE TAXES AND THE STATE CIGARETTE TAX, 1982–83—Continued

(In dollars)

Jurisdiction	Revenue distributed	
	Local sales and use taxes	State cigarette tax [b]
1	2	3
Los Angeles County —Continued		
South El Monte	2,072,932	80,970
South Gate	2,841,773	190,550
South Pasadena	878,907	60,178
Temple City	1,044,166	76,142
Torrance	14,520,193	566,614
Vernon	3,994,154	101,395
Walnut	196,119	27,099
West Covina	5,658,172	283,861
Westlake Village	629,620	32,846
Whittier	5,397,697	250,423
Total	496,531,661	29,016,381
Madera County	1,353,630	71,233
Chowchilla	264,539	15,356
Madera	1,508,533	77,094
Total	3,126,702	163,683
Marin County	1,347,135	69,684
Belvedere	51,046	5,251
Corte Madera	963,194	36,615
Fairfax	192,162	17,223
Larkspur	832,969	40,065
Mill Valley	938,772	44,051
Novato	1,910,971	120,527
Ross	38,170	5,673
San Anselmo	558,355	34,186
San Rafael	6,243,023	224,145
Sausalito	956,502	35,509
Tiburon	219,764	16,689
Total	14,252,063	649,618
Mariposa County	592,019	31,968
Mendocino County	1,419,562	75,573
Fort Bragg	605,509	23,625
Point Arena	24,463	1,339
Ukiah	1,388,046	54,342
Willits	428,288	17,208
Total	3,865,868	172,087
Merced County	1,596,674	85,737
Atwater	432,336	41,970
Dos Palos	191,661	10,053
Gustine	100,119	8,122
Livingston	145,823	13,095
Los Banos	774,574	37,490
Merced	3,046,538	140,100
Total	6,287,725	336,567
Modoc County	163,781	7,469
Alturas	271,759	11,926
Total	435,540	19,395
Mono County	890,903	45,901
Monterey County	2,368,366	124,760
Carmel	1,073,915	33,644
Del Rey Oaks	101,337	5,226
Gonzales	110,762	7,913
Greenfield	158,154	11,505
King City	429,939	19,992
Marina	272,706	46,484
Monterey	3,358,470	135,417
Pacific Grove	729,866	45,020
Salinas	6,745,144	302,763
Sand City	113,663	3,107
Seaside	1,696,134	103,161
Soledad	114,362	13,145
Total	17,272,818	852,137
Napa County	1,979,881	104,452
Calistoga	176,887	11,057
Napa	2,695,421	154,053
St. Helena	412,851	18,166
Yountville	108,377	7,696
Total	5,373,417	295,424
Nevada County	1,641,509	86,554
Grass Valley	901,586	33,953
Nevada City	267,446	10,553
Total	2,810,541	131,060
Orange County	11,276,662	579,891
Anaheim	20,692,026	885,212
Brea	3,784,883	139,210
Buena Park	6,740,103	272,683
Costa Mesa	12,777,744	441,694
Cypress	1,539,539	115,437
Fountain Valley	2,567,941	156,565
Fullerton	7,411,571	351,817
Garden Grove	7,402,923	393,611
Huntington Beach	10,277,579	546,752
Irvine	8,518,245	312,283
Laguna Beach	1,238,038	61,465
La Habra	2,605,120	140,927
La Palma	342,418	34,864
Los Alamitos	1,266,376	51,062
Newport Beach	6,885,605	275,318
Orange	9,665,593	391,661
Placentia	1,453,662	97,190
San Clemente	1,302,595	79,101
San Juan Capistrano	954,085	57,469
Santa Ana	16,465,727	760,095
Seal Beach	970,182	68,252
Stanton	1,440,999	77,344
Tustin	3,546,638	154,761
Villa Park	130,786	15,194
Westminster	5,853,090	258,664
Yorba Linda	617,970	66,358
Total	147,728,100	6,784,880
Placer County	3,008,921	158,639
Auburn	1,083,999	38,639
Colfax	177,346	5,907
Lincoln	201,167	12,306
Rocklin	271,746	19,972
Roseville	2,728,020	108,211
Total	7,471,199	343,674
Plumas County	689,146	37,252
Portola	81,711	5,203
Total	770,857	42,455
Riverside County	7,271,405	381,895
Banning	671,991	40,858
Beaumont	540,885	25,078
Blythe	834,206	31,837
Cathedral City	1,423,899	58,318
Coachella	456,519	29,633
Corona	2,626,785	130,540
Desert Hot Springs	209,235	16,675
Hemet	1,996,250	88,737
Indian Wells	107,894	5,415
Indio	2,423,716	100,028
Lake Elsinore	563,968	25,282
La Quinta [a]	157,207	14,047
Norco	442,731	47,166
Palm Desert	1,160,066	49,717
Palm Springs	3,636,364	145,104
Perris	437,079	23,037
Riverside County —Continued		
Rancho Mirage	961,960	33,470
Riverside	11,599,095	570,414
San Jacinto	266,359	20,029
Total	37,789,614	1,837,280
Sacramento County	30,068,174	1,532,593
Folsom	852,700	41,013
Galt	216,398	14,826
Isleton	53,523	2,896
Sacramento	20,706,714	980,038
Total	51,917,511	2,571,366
San Benito County	282,469	15,214
Hollister	765,326	39,917
San Juan Bautista	55,666	3,504
Total	1,103,461	58,635
San Bernardino County	8,582,635	459,033
Adelanto	44,598	5,418
Barstow	1,720,403	72,833
Big Bear Lake	600,229	30,067
Chino	1,699,334	113,324
Colton	2,259,539	100,518
Fontana	1,786,830	117,088
Grand Terrace	140,083	19,207
Loma Linda	447,076	30,423
Montclair	3,382,434	121,517
Needles	314,046	15,307
Ontario	5,211,450	288,320
Rancho Cucamonga	2,058,065	151,451
Redlands	2,443,343	137,222
Rialto	1,594,291	111,573
San Bernardino	11,251,612	490,945
Upland	2,740,991	152,654
Victorville	2,267,498	80,877
Total	48,544,477	2,497,777
San Diego County	9,232,479	481,363
Carlsbad	4,021,391	155,923
Chula Vista	4,522,402	257,446
Coronado	661,070	50,093
Del Mar	360,302	18,028
El Cajon	7,117,576	300,502
Escondido	6,283,519	268,707
Imperial Beach	374,806	48,708
La Mesa	4,180,017	183,007
Lemon Grove	1,209,062	62,979
National City	5,468,002	220,344
Oceanside	3,383,416	218,172
Poway	1,257,806	116,956
San Diego	58,131,987	2,940,231
San Marcos	1,492,994	65,594
Santee	1,727,836	141,542
Vista	1,427,953	99,142
Total	110,852,620	5,628,737
City and County of San Francisco	59,224,637	3,040,519
San Joaquin County	3,954,627	210,686
Escalon	221,846	10,925
Lodi	2,692,264	128,178
Manteca	1,363,328	78,387
Ripon	112,433	9,730
Stockton	11,048,344	538,534
Tracy	988,156	57,757
Total	20,380,998	1,034,197

TABLE 21A—REVENUES DISTRIBUTED TO CITIES AND COUNTIES FROM LOCAL SALES AND USE TAXES AND THE STATE CIGARETTE TAX, 1982–83—Concluded

(In dollars)

Jurisdiction	Revenue distributed	
	Local sales and use taxes	State cigarette tax [b]
1	2	3
San Luis Obispo County	1,574,890	82,845
Arroyo Grande	769,368	38,217
Atascadero	874,031	50,853
Grover City	293,662	22,477
Morro Bay	620,670	31,358
Paso Robles	1,074,663	43,813
Pismo Beach	370,139	18,472
San Luis Obispo	3,334,694	138,789
Total	8,912,117	426,824
San Mateo County	7,490,356	398,410
Atherton	27,405	14,053
Belmont	809,635	61,680
Brisbane	749,859	24,312
Burlingame	4,079,513	143,489
Colma	1,477,462	34,205
Daly City	4,211,891	235,559
Foster City	802,846	59,838
Half Moon Bay	378,040	21,634
Hillsborough	44,885	19,181
Menlo Park	2,291,909	100,113
Millbrae	1,415,566	69,397
Pacifica	684,406	79,567
Portola Valley	55,965	8,124
Redwood City	5,083,283	215,200
San Bruno	2,978,033	129,431
San Carlos	2,373,835	98,215
San Mateo	7,183,525	298,014
S. San Francisco	6,265,243	234,173
Woodside	125,535	12,083
Total	48,529,212	2,255,678
Santa Barbara County	5,091,796	266,953
Carpinteria	500,325	30,682
Guadalupe	102,694	9,066
Lompoc	1,320,576	78,128
Santa Barbara	7,588,160	307,856
Santa Maria	4,905,868	187,543
Total	19,509,439	880,228
Santa Clara County	11,782,176	621,516
Campbell	3,407,605	135,182
Cupertino	4,601,573	172,868
Gilroy	1,634,656	77,885
Los Altos	1,189,777	72,977
Los Altos Hills	88,865	14,961
Los Gatos	2,498,521	103,856
Milpitas	2,172,949	116,589
Monte Sereno	2,296	5,962
Morgan Hill	726,811	48,455
Mountain View	6,568,234	257,151
Palo Alto	8,543,974	293,421
San Jose	37,066,797	1,998,134
Santa Clara	13,917,144	485,207
Saratoga	569,465	63,988
Sunnyvale	10,772,873	437,532
Total	105,533,716	4,905,684
Santa Cruz County	2,762,471	143,252
Capitola	1,314,129	48,548
Santa Cruz	3,691,515	159,333
Scotts Valley	581,967	26,186
Watsonville	1,816,875	84,971
Total	10,166,957	462,290
Shasta County	1,681,916	89,421
Anderson	426,614	22,900
Redding	5,167,117	198,444
Total	7,275,647	310,765
Sierra County	58,082	3,167
Loyalton	37,805	2,838
Total	95,887	6,005
Siskiyou County	380,779	20,564
Dorris	22,550	2,047
Dunsmuir	66,031	5,480
Etna	34,632	2,163
Fort Jones	43,044	1,973
Montague	37,865	3,321
Mount Shasta	270,183	11,586
Tulelake	51,985	2,649
Weed	179,517	9,251
Yreka	776,720	30,149
Total	1,863,306	89,183
Solano County	693,178	38,005
Benicia	640,577	44,849
Dixon	371,900	23,273
Fairfield	3,348,605	184,727
Rio Vista	480,274	16,751
Suisun	277,733	27,290
Vacaville	1,653,269	119,336
Vallejo	3,821,689	236,145
Total	11,287,225	690,376
Sonoma County	5,953,181	313,285
Cloverdale	181,820	11,630
Cotati	304,545	14,173
Healdsburg	844,256	33,325
Petaluma	2,225,224	112,805
Rohnert Park	769,542	61,621
Santa Rosa	6,871,976	310,124
Sebastopol	479,983	21,287
Sonoma	585,399	24,903
Total	18,215,928	903,153
Stanislaus County	3,962,981	212,415
Ceres	908,830	47,030
Hughson	111,864	7,820
Modesto	8,188,027	392,296
Newman	182,893	9,906
Oakdale	698,053	31,811
Patterson	245,274	13,444
Riverbank	182,441	14,513
Turlock	1,946,203	95,049
Waterford	76,609	6,829
Total	16,503,175	831,113
Sutter County	853,217	47,351
Live Oak	79,456	7,646
Yuba City	1,986,494	81,978
Total	2,919,167	136,975
Tehama County	491,131	25,549
Corning	566,129	22,066
Red Bluff	913,107	39,424
Tehama	965	680
Total	1,971,332	87,719
Trinity County	386,381	20,639
Tulare County	3,501,332	179,668
Dinuba	462,975	28,478
Exeter	216,039	14,967
Farmersville	94,420	11,999
Lindsay	270,887	18,416
Porterville	1,668,605	76,254
Tulare	1,696,778	81,096
Visalia	5,245,738	216,612
Woodlake	101,188	11,763
Total	13,257,962	639,253
Tuolumne County	1,049,721	55,942
Sonora	619,505	21,391
Total	1,669,226	77,333
Ventura County	3,079,813	162,745
Camarillo	1,637,909	105,497
Fillmore	336,324	24,892
Ojai	431,737	22,461
Oxnard	5,731,930	332,071
Port Hueneme	466,252	42,898
Santa Paula	714,097	53,754
Simi Valley	2,723,150	199,876
Thousand Oaks	5,950,938	296,960
Ventura	7,313,511	307,753
Total	28,385,661	1,548,927
Yolo County	3,849,451	209,537
Davis	1,490,170	99,602
Winters	70,881	6,369
Woodland	2,018,855	104,280
Total	7,429,357	419,788
Yuba County	828,578	[a] 42,375
Marysville	1,277,380	48,844
Wheatland	27,077	3,307
Total	2,133,035	94,526
Amounts distributed to:		
City and County of San Francisco	59,224,637	3,040,519
Counties other than San Francisco	222,987,816	11,730,947
Cities other than San Francisco	1,279,151,231	66,282,224
Grand totals	1,561,363,684	81,053,690

[a] During the fiscal year, sales tax ordinances went into effect in three cities. Those cities, the effective date of their sales tax ordinances, and the number of months of sales tax distributions they received during 1982–83 are as follows:

La Quinta; July 1, 1982; 10 months
Danville; October 1, 1982; 7 months
Agoura Hills; January 1, 1983; 4 months

[b] These are the distributions cities and counties would have received under the Cigarette Tax Law. A portion of these amounts were withheld from some cities under emergency legislation enacted in February 1983 to deal with a shortfall in state revenue.

Note: Detail may not add to total due to rounding.

TABLE 21B—REVENUES DISTRIBUTED TO COUNTIES FROM COUNTY TRANSPORTATION TAX,[a] 1982–83

County	Revenue distributed[b]	County	Revenue distributed[b]	County	Revenue distributed[b]
1	2	1	2	1	2
Alameda	$18,687,168	Marin	$3,565,305	San Mateo	$12,273,823
Alpine	20,495	Mariposa	147,114	Santa Barbara	4,867,898
Amador	232,905	Mendocino	967,991	Santa Clara	26,447,958
Butte	1,921,849	Merced	1,570,948	Santa Cruz	2,536,250
Calaveras	203,918	Modoc	108,791	Shasta	1,823,932
Colusa	253,424	Mono	221,891	Sierra	24,169
Contra Costa	9,942,192	Monterey	4,354,494	Siskiyou	464,543
Del Norte	190,623	Napa	1,338,038	Solano	2,811,555
El Dorado	1,082,645	Nevada	704,809	Sonoma	4,553,201
Fresno	8,288,724	Orange	36,873,322	Stanislaus	4,118,445
Glenn	276,143	Placer	1,868,661	Sutter	728,859
Humboldt	1,462,392	Plumas	194,341	Tehama	491,306
Imperial	1,269,324	Riverside	9,453,893	Trinity	96,762
Inyo	360,885	Sacramento	12,960,769	Tulare	3,293,809
Kern	8,753,093	San Benito	274,701	Tuolumne	416,393
Kings	982,748	San Bernardino	12,147,176	Ventura	7,093,370
Lake	459,884	San Diego	27,751,945	Yolo	1,858,658
Lassen	232,264	San Francisco	14,778,525	Yuba	532,569
Los Angeles	124,927,031	San Joaquin	5,065,823		
Madera	782,740	San Luis Obispo	2,234,949	Total	$391,367,433

[a] Effective July 1, 1972, a ¼ percent county sales tax was imposed. This revenue is to be used for transportation purposes in each county.

[b] These are actual payments to the counties and exclude the Board's administrative charge of $3,908,750 and the Business and Transportation Agency's administrative charge of $377,000.

TABLE 21C—LOCAL SALES AND USE TAX RATES IMPOSED BY CALIFORNIA CITIES ON JULY 1, 1983

County	City rate[a]	Cities	County	City rate[a]	Cities
1	2	3	1	2	3
Alameda	.95	All cities	Orange	1.00	All cities
Alpine	—	No incorporated cities	Placer	1.00	All cities
Amador	1.00	All cities	Plumas	.95	Portola
Butte	1.00	All cities	Riverside	1.00	All cities
Calaveras	.95	Angels	Sacramento	1.00	All cities
Colusa	1.00	All cities	San Benito	1.00	All cities
Contra Costa	.975	All cities	San Bernardino	1.00	All cities
Del Norte	1.00	All cities	San Diego	1.00	All cities
El Dorado	1.00	All cities	San Francisco	1.00	—
Fresno	.99	Fresno	San Joaquin	1.00	Stockton/Tracy
	1.00	All other cities			Manteca/Lodi
Glenn	1.00	All cities		.95	All other cities
Humboldt	1.00	All cities	San Luis Obispo	1.00	All cities
			San Mateo	.95	All cities
Imperial	1.00	All cities			
Inyo	1.00	All cities	Santa Barbara	1.00	All cities
Kern	1.00	All cities	Santa Clara	.91	All cities
			Santa Cruz	1.00	All cities
Kings	.95	Hanford			
	.98	All other cities	Shasta	1.00	All cities
Lake	1.00	All cities	Sierra	.95	Loyalton
Lassen	1.00	All cities	Siskiyou	1.00	All cities
Los Angeles	1.00	All cities	Solano	1.00	All cities
Madera	1.00	All cities	Sonoma	.95	All cities
Marin	1.00	All cities	Stanislaus	.945	Modesto/Turlock
				1.00	All other cities
Mariposa	—	No incorporated cities			
Mendocino	1.00	All cities	Sutter	1.00	All cities
Merced	.925	Merced	Tehama	1.00	Tehama
	.95	Los Banos		.90	All other cities
	1.00	All other cities	Trinity	—	No incorporated cities
Modoc	.90	Alturas	Tulare	.95	All cities
Mono	—	No incorporated cities	Tuolumne	.95	Sonora
Monterey	1.00	All cities	Ventura	1.00	Ojai
				.967	All other cities
Napa	.853	All cities			
Nevada	1.00	All cities	Yolo	1.00	All cities
			Yuba	1.00	All cities

[a] Each city's tax rate is credited against the county's one percent tax.

TABLE 22—LOCAL SALES TAXES, DISTRIBUTIONS AND ADMINISTRATIVE CHARGES TO CITIES AND COUNTIES, 1956–57 TO 1982–83

Fiscal year	Net amount distributed (in thousands)				Administrative cost rate per $100 collected [d]	Administrative charge [e] (in thousands)
	County transportation tax [a]	Local sales tax [b]		Total		
		To counties [c]	To cities			
1	2	3	4	5	6	7
1982–83	$393,367	$282,212	$1,279,151	$1,954,730	.82	$16,613
1981–82	392,756	289,469	1,282,420	1,964,645	.82	16,433
1980–81	361,888	272,741	1,176,000	1,810,629	.82	15,253
1979–80	340,922	255,372	1,108,417	1,704,711	.82	14,181
1978–79	296,051	220,403	962,997	1,479,451	.82	12,402
1977–78	257,221	192,488	837,756	1,287,465	.82	10,798
1976–77	219,309	167,516	709,664	1,096,489	.82	9,257
1975–76	190,348	147,670	618,406	956,424	.82	8,031
1974–75	172,343	136,047	559,337	867,727	.82	7,253
1973–74	158,087	124,964	513,282	796,333	.82	6,560
1972–73	110,010 [f]	105,678	447,966	663,674	.82 [g]	5,521
1971–72	—	91,117	387,977	479,094	1.01	4,891
1970–71	—	82,337	347,766	430,103	1.09	4,632
1969–70	—	80,691	345,626	426,317	1.10	4,696
1968–69	—	74,687	318,913	393,600	1.13	4,544
1967–68	—	73,227	300,530	373,757 [h]	1.23 [i]	4,926
1966–67	—	68,097	270,241	338,338	1.50	5,162
1965–66	—	64,337	254,851	319,188	1.53	4,871
1964–65	—	62,063	239,455	301,518	1.50	4,610
1963–64	—	59,242	222,908	282,150	1.53	4,386
1962–63	—	55,786 [j]	205,435	261,221 [j]	1.53	4,077
1961–62	—	53,763	186,881	240,644	1.57	3,856
1960–61	—	51,793	174,505	226,298	1.60	3,650
1959–60	—	52,396	162,749	215,145 [k]	1.50	3,348
1958–59	—	44,835	144,968	189,803 [l]	1.64	3,134
1957–58	—	29,473	132,442	161,915	1.72	2,837
1956–57	—	21,257	103,220	124,477	1.65	2,143

NOTE: Excludes distributions to rapid transit districts which were collected at the rate of ½ of one percent as as follows:

Fiscal Year	BARTD [m]	SCRTD	SCCTD	SCMTD	LACTC	SMCTD	Administrative Charge
1982–83	$102,907,000	—	$53,652,000	$5,487,000	$172,466,000	$14,853,000	$5,233,000
1981–82	87,974,000	—	49,514,000	5,017,000	—	—	2,252,000
1980–81	65,651,000	—	44,218,000	4,752,000	—	—	2,061,000
1979–80	74,836,000	$171	40,702,000	4,190,000	—	—	1,911,000
1978–79	50,740,000	172	35,336,000	1,037,000	—	—	1,587,000
1977–78	50,704,000	—	29,976,000	—	—	—	1,404,000
1976–77	47,368,000	1,000	12,807,000	—	—	—	985,817
1975–76	42,230,000	204,000	—	—	—	—	713,051
1974–75	39,622,000	401,000	—	—	—	—	668,594
1973–74	35,396,000	287,000	—	—	—	—	569,000
1972–73	31,055,000	258,000	—	—	—	—	585,000
1971–72	27,770,000	555,000	—	—	—	—	577,000
1970–71	24,860,000	35,980,000	—	—	—	—	1,333,000
1969–70	1,570,000	—	—	—	—	—	298,000

[a] Administrative charges by the Board of Equalization and the Business and Transportation Agency have been deducted. These amounted to $3,585,750 in 1982–83.

[b] Includes any administrative cost adjustment made during the fiscal year.

[c] Includes the City and County of San Francisco.

[d] Prior to July 1, 1972, the actual cost of collecting $100 in the fiscal year and the ultimate rate which cities and counties were charged.

[e] These are the amounts actually withheld. The exact charge for administration in any year cannot be computed from the rate shown in the previous column, because the tentative charge used to withhold funds is based on the effective rate in the prior fiscal year. Adjustments are deducted from the fiscal year to which they apply.

[f] Includes advances and payments for only ten months.

[g] Effective July 1, 1972, an administrative cost rate of 82 cents per $100 collected was set by law.

[h] Effective October 1, 1967, taxpayers who were required to prepay state sales and use tax were also required to prepay local sales and use tax. This resulted in a one-time windfall of $19,250,000 during the 1967–68 fiscal year.

[i] Additional revenue from the one-cent increase in the state sales tax rate effective August 1, 1967, resulted in a sharp reduction in the ratio.

[j] Excludes $595,317 that was collected in 1959–60 and impounded pending decision on litigation brought by the City of Commerce. This amount, plus accumulated interest, was distributed in 1962–63.

[k] Excludes $3,825,750 advanced to cities and counties in the 1958–59 fiscal year out of receipts that normally would have been distributed in the first quarter of the 1959–60 fiscal year. This sum was distributed to help local jurisdictions whose sales tax receipts were running below expectations because of the 1957–58 business recession.

[l] Includes the $3,825,750 discussed in the previous footnote.

[m] Effective January 1, 1978, 25 percent of the revenue collected under the Bay Area Rapid Transit District Sales Tax was earmarked for the Metropolitan Transportation Commission. (Collections are shown in Table 2, footnote e.) The BARTD figures above include MTC allocations. For 1982–83, BARTD received direct allocations of $62,848,000 and $40,059,000 were allocated for MTC as follows: Alameda-Contra Costa Transit District, $19,853,000; San Francisco Municipal Railway, $20,160,000; and BARTD, $46,000.

TABLE 23—GASOLINE AND JET FUEL TAX STATISTICS, 1923–25 TO 1982–83

Fiscal year	Gasoline				Jet fuel tax	
	Taxable distributions (in thousands of gallons)	Revenue [a] (in thousands)	Refunds (in thousands)	Tax-paying distributors on June 30 [b]	Taxable distributions (in thousands of gallons)	Revenue [a] (in thousands)
1	2	3	4	5	6	7
1982–83	10,941,848	$877,130 [l]	$17,139 [k]	145	37,471	$703
1981–82	11,015,230	770,628 [k]	27,572	131	40,435	860
1980–81	11,185,862	787,106	25,987	102	43,713	891
1979–80	11,316,801	800,012	24,451	94	50,225	988
1978–79	11,916,829	835,947	21,716	77	46,422	915
1977–78	11,571,520	810,020	18,866	76	34,469	692
1976–77	10,995,557	769,978	15,775	84	27,445	551
1975–76	10,530,404	737,100	14,802	77	23,583	474
1974–75	10,141,120	709,899	13,347	72	20,494	411
1973–74	10,019,253	701,400	15,271	49	19,324	390
1972–73	10,223,805	715,683	15,244	49	17,941	360
1971–72	9,748,850	682,482	13,393	48	14,463	292
1970–71	9,232,664	646,312	13,401	58	12,043	245
1969–70	8,939,785	641,268 [c]	13,437	52	8,057 [d]	163 [d]
1968–69	8,494,055	601,783 [c]	14,596	53	—	—
1967–68	8,057,505	564,038	14,012	63	—	—
1966–67	7,649,738	535,488	15,560	59	—	—
1965–66	7,385,411	529,819 [e]	17,234	63	—	—
1964–65	7,041,337	510,954 [e]	15,981	61	—	—
1963–64	6,732,890	454,126 [f]	14,680	63	—	—
1962–63	6,331,380	379,883	14,846	71	—	—
1961–62	5,995,532	359,739	15,361	81	—	—
1960–61	5,794,324	347,668	17,268	80	—	—
1959–60	5,626,387 [g]	337,588 [g]	20,814	89	—	—
1958–59	5,404,848	324,295	21,410	88	—	—
1957–58	5,117,693	307,038	20,531	94	—	—
1956–57	4,932,752	295,962	20,786	100	—	—
1955–56	4,734,064	284,152	21,516	100	—	—
1954–55	4,424,151	265,576	26,192	102	—	—
1953–54	4,255,309	255,305 [h]	26,088	88	—	—
1952–53	4,156,557	187,047	19,175	90	—	—
1951–52	3,878,273	174,527	19,595	100	—	—
1950–51	3,589,902	161,551	15,339	112	—	—
1945–50	14,909,722	592,832 [i]	—	107		
1940–45	9,167,632	275,029	—	122	—	—
1930–40	8,594,082	258,845	—	142	—	—
1930–35	6,790,740	201,685	—	88	—	—
1925–30	5,351,593	139,925 [j]	—	82	—	—
1923–25	1,259,474	24,938	—	74	—	—

[a] Includes self-assessed taxes, tax deficiencies, interest and penalties. Refunds for nonhighway use (column 4) have not been deducted.

[b] In addition, on June 30, 1983 there were 91 fully-licensed distributors who incurred no tax liabilities during the year.

[c] A special one-cent levy was in effect from June 1, 1969 through August 31, 1969 to raise funds to repair and restore storm- and flood-damaged roads. This levy raised $7.2 million from distributions during the 1968–69 fiscal year and $13.5 million during the 1969–70 fiscal year. No storage tax was imposed.

[d] The aircraft jet fuel tax levied at the rate of two cents per gallon on jet aircraft fuel used in general aviation became operative December 1, 1969 under the Motor Vehicle Fuel License Tax Law.

[e] A special one-cent levy was in effect from April 1, 1965 through August 31, 1965 to raise funds to repair and restore storm- and flood-damaged roads in the northwestern part of the state. This levy raised $18.2 million from distributions during the 1964–65 fiscal year (excluding the storage tax of $1,106,000 including interest and penalties) and $12.8 million during the 1965–66 fiscal year (excluding the storage tax refund of $1,131,000).

[f] Effective October 1, 1963, the tax rate was increased from 6 cents to 7 cents per gallon. Receipts from the one cent per gallon storage tax imposed at the time of the rate increase are not included; these amounted to $1,125,967, including interest and penalties.

[g] Effective October 1, 1959, liquefied petroleum gases were excluded from the definition of a "motor vehicle fuel." Since that date, vendors and users of this fuel have been required to report under the Use Fuel Tax Law. (See Table 25.)

[h] Effective July 1, 1953, the tax rate was increased from 4½ cents to 6 cents per gallon. Receipts from the 1½ cent storage tax imposed at the time of the rate increase are not included; these amounted to $1,071,000 including interest and penalties.

[i] Effective July 1, 1947, the tax rate was increased from 3 cents to 4½ cents per gallon. Receipts from the 1½ cent storage tax imposed at the time of the increase are not included; these amounted to $660,000, including interest and penalties.

[j] Effective July 29, 1927, the tax rate was increased from 2 cents to 3 cents per gallon.

[k] A revision in the Revenue and Taxation Code effective January 1, 1982, allows a taxpayer to offset tax-paid exports against incurred tax liability instead of filing a claim for refund on such exports. Net revenue, over time, should not be affected by this revision.

[l] Effective January 1, 1983, the tax rate was increased from 7 cents to 9 cents per gallon. Receipts from the two cents per gallon storage tax imposed at the time of the rate increase are not included; these amounted to $3,456,000 including interest and penalties.

TABLE 24—TAXABLE DISTRIBUTIONS OF GASOLINE AND TAX ASSESSMENTS, BY DISTRIBUTOR, 1981–82 AND 1982–83

Name of company [a]	Gallons (in thousands)		Tax [b] (in thousands)	
	1981–82	1982–83	1981–82	1982–83
1	2	3	4	5
Allied Petroleum Co., Inc.	2,355	2,187	$163	$172
Al-Sal Oil Co.	—	2,694	—	210
Aminoil USA, Inc.	78,854	69,719	5,520	5,544
Amorient Petroleum Co.	74,482	35,751	5,214	2,562
Anchor Refining Co.	2,187	4,686	153	328
Armour Oil Co.	1,220	1,086	85	84
Atlantic Richfield Co.	1,271,897	1,563,244	89,033	125,140
Beacon Oil Co.	252,466	260,149	17,673	20,949
Beneto, Inc.	539	874	38	68
Bi-State Petroleum	9	555	—	47
California Target Supply	3,056	8,640	214	669
Champlin Petroleum Co.	5,206	89,417	364	8,033
Chevron U.S.A., Inc.	1,772,050	1,684,740	124,044	134,718
Cluj Distribution Co.	—	5,412	—	451
Conoco	—	1,158	—	91
Desert Petroleum, Inc.	77	4,615	5	350
Douglas Oil Co.	186,121	122,757	13,029	9,734
Edgington Oil Co.	111,640	73,722	7,815	5,757
Exxon Corp.	571,688	524,560	40,018	42,331
Fletcher Oil Refining Co.	117,458	75,024	8,222	5,563
Getty Refining & Marketing Co.	178,853	100,963	12,520	8,194
Golden Eagle Refining Co.	10,020	6,551	701	527
Golden Gate Petroleum	10,203	23,620	714	1,837
Gulf Oil Corp.	426,965	418,451	29,888	32,851
Herbst Supply Co.	875	716	48	54
Hercules Oil Co.	120	716	8	51
Huntway Refining Co. of N. California	—	1,685	—	132
Jaco Oil Co.	605	1,297	42	96
Kern Oil Refining Co.	61,763	63,618	4,323	5,051
Koch Fuel, Inc.	8,911	14,112	624	991
Landsea Terminals, Inc.	160,088	75,562	11,206	5,706
Lee Chambers Petroleum, Inc.	424	687	30	56
Lockheed Air Terminal, Inc.	1,068	923	75	74
MT Transportation	220	604	15	47
MacMillan Ring Free Oil Co.	19,945	9,933	1,396	743
Marlex Oil & Refining	14,242	7,990	997	628
Martinoil Co.	425	519	30	41
Mobil Oil Corp.	912,325	833,321	63,863	66,349
Nella Oil Co.	45	1,679	3	137
Newhall Refining Co.	35,172	34,294	2,462	2,630
Norris Supply Co.	1,187	650	83	51
Olympian Oil Co. (formerly Broetta, Inc.)	762	1,296	53	104
Orkin Real Estate	464	701	32	49
Pacific-Oasis (formerly Oasis Petroleum Corp.)	10,931	40,965	765	3,274
Pacific Refining Co.	90,824	79,854	6,358	6,733
Powerine Oil Co.	199,683	163,866	13,978	12,840
Redwood Oil Co.	389	1,894	27	148
Self Enterprises, Inc.	1,068	987	75	77
Shell Oil Co.	1,411,368	1,527,164	98,796	122,571
Snobird, Inc.	480	848	34	69
Tesoro Gasoline Marketing Co.	123	1,293	7	103
Texaco Inc.	579,420	630,111	40,539	50,196
Texmo Oil Co.	472	579	33	44
Time Oil Co.	21,791	24,421	1,525	1,966
Tosco Corp.	689,049	558,435	48,233	44,089
Union Oil Co.	1,316,344	1,343,953	92,144	107,609
USA Petroleum (formerly USA Petrochem Corp.)	156,904	171,271	10,983	13,947
Western Energetix Corp.	104	718	7	53
Wickland Oil Terminals	57,959	163,442	4,057	13,770
World Oil Co.	104,212	88,560	7,295	7,084
85 Other distributors each paying less than $40,000 in 1982–83	30,593	10,860	2,158	886
Adjustments [c]	47,529	1,749	2,889	2,451
Totals	11,015,230	10,941,848	$770,628	$877,130

[a] "Distributors" are companies or individuals who make the first distribution of gasoline in California, and they are responsible for payment of the tax. (Aircraft manufacturers and certificated or licensed carriers by air may be included within the definition of distributor.) "Broker" includes every person, other than a distributor or a retailer, who deals in lots of 200 or more gallons of gasoline.

[b] Refunds for non-highway use totaling $17,139,000 in 1982–83 and $27,572,000 in 1981–82 have not been deducted.

[c] Adjustments include temperature-corrected gallonage from broker returns, late returns, audits, interest and penalties.

TABLE 25—DIESEL FUEL AND LIQUEFIED PETROLEUM GASES STATISTICS, 1937–40 TO 1982–83

Fiscal year	Taxable distributions (in thousands of gallons) Diesel	Total tax [a] (in thousands)	Self-assessed taxes (in thousands) Diesel	Self-assessed taxes (in thousands) LPG [l]	Active permits on December 31 Users	Active permits on December 31 Vendors	Tax paid at reduced rate by transit districts (in thousands) [k]
1	2	3	4	5	6	7	8
1982–83	1,167,409	$97,834	$94,052 [m]	$3,056	56,315	2,969	$748
1981–82	1,185,624 [r]	81,773	78,296 [r]	3,036	54,615	2,738	783 [r]
1980–81	1,179,810	81,769	78,635	2,749	50,870	2,461	659
1979–80	1,164,375	80,144	77,557	2,180	46,324	2,132	637
1978–79	1,104,046	75,530	73,543	1,611	42,971	1,916	624
1977–78	967,855	67,764	65,715	1,658	44,739	1,813	553
1976–77	915,481	63,121	60,921	1,699	43,718	1,724	527
1975–76	827,487	56,857	55,263	1,448	42,988	1,714	507
1974–75	753,064	50,741	50,314	205	39,711	1,670	395
1973–74	770,854	52,164	51,667	289	36,493	1,627	382
1972–73	735,380	49,841	49,351	290	32,011	1,551	354
1971–72	674,292	45,981	45,153	599	28,967	1,507	330
1970–71	615,887	42,151	41,028	814	25,878	1,455	338
1969–70	579,903	40,496	39,511 [b]	755	23,851	1,387	320
1968–69	543,083	37,612	36,597 [b]	774	22,430	1,376	312 [c]
1967–68	477,249	34,375	33,407	814	20,843	1,360	—
1966–67	435,900	31,480	30,513	829	19,507	1,315	—
1965–66	419,286	31,214	30,054 [d]	1,028 [d,e]	18,038	1,256	—
1964–65	387,014	29,465	28,098 [d]	1,211 [d]	17,391	1,216	—
1963–64	358,995	26,532	25,129	1,274 [f]	16,238	1,217	—
1962–63	328,716	24,323	23,010	1,187	15,385	1,203	—
1961–62	306,689	22,871	21,468	1,291	14,670	1,195	—
1960–61	286,429	21,619	20,050	1,446	13,488	1,206	—
1959–60	280,157	20,837	19,609	1,094 [g]	12,431	1,109	—
1958–59	267,247	18,812	18,694	—	10,192	801	—
1957–58	246,711	17,454	17,270	—	9,807	773	—
1956–57	237,481	16,826	16,624	—	9,530	862	—
1955–56	226,448	16,018	15,850	—	8,877	825	—
1954–55	202,406	14,323	14,172	—	8,182	853	—
1953–54	183,043	12,873	12,738 [h]	—	7,441	751 [i]	—
1952–53	174,026	7,946	7,831	—	6,197	—	—
1951–52	150,683	6,885	6,780	—	5,166	—	—
1950–51	131,562	6,023	5,920	—	4,244	—	—
1945–50	406,708	16,527	16,238 [j]	—	2,610	—	—
1940–45	205,397	6,235	6,162	—	1,051	—	—
1937–40	38,625	1,178	1,159	—	n.a.	—	—

[a] Includes interest and penalties which amounted to $644,385 during the 1982–83 fiscal year. This revenue is on an accrual basis and therefore differs from the number in Table 2 which is on a cash basis.

[b] A special one-cent levy was in effect from June 1, 1969 through August 31, 1969 to raise funds to repair and restore storm- and flood-damaged roads. This levy raised $450,000 from distributions during the 1968–69 fiscal year and $637,000 during the 1969–70 year.

[c] Effective July 1, 1968, the tax rate on most fuel consumed by municipal transit districts was reduced to one cent per gallon.

[d] A special one-cent levy was in effect from April 1, 1965 through August 31, 1965 to raise funds to repair and restore storm- and flood-damaged roads. This levy raised a total of $1,786,000.

[e] Effective January 1, 1966, the tax rate on liquefied petroleum gases was decreased from 7 cents to 6 cents per gallon.

[f] Effective October 1, 1963, the tax rate on liquefied petroleum gases was increased from 6 cents to 7 cents per gallon.

[g] Effective October 1, 1959, users and vendors of liquefied petroleum gases were required to report under the Use Fuel Tax Law. Prior to this date, they reported under the Motor Vehicle Fuel License Tax Law.

[h] Effective July 1, 1953, the tax rate on diesel fuel was increased from 4½ cents to 7 cents per gallon.

[i] Effective September 9, 1953, vendors of use fuel were authorized to collect the use fuel tax.

[j] Effective July 1, 1947, the tax rate on diesel fuel was increased from 3 cents to 4½ cents per gallon.

[k] These amounts are also included in columns 3 and 4.

[l] Beginning in December 1975, LPG users were allowed to pay tax on a flat rate basis. This precludes computing LPG gallonage. Flat rate payments totaled $1,358,000 during 1982–83, 44.4 percent of LPG taxes.

[m] Effective January 1, 1983, the tax rate on diesel fuel was increased from 7 cents to 9 cents per gallon.

[r] Revised.

n.a. Not available.

TABLE 26—TRANSPORTATION GROSS RECEIPTS TAX STATISTICS

This tax was repealed effective July 1, 1973. For historical data see the Board's 1975–76 Annual Report.

TABLE 27—BEER, WINE, AND DISTILLED SPIRITS EXCISE TAX COLLECTIONS, 1932–35 TO 1982–83 [a]

(In thousands of dollars)

Fiscal year	Beer	Wine			Distilled spirits	Total
		Still wines		Champagne and sparkling wines		
		14 percent alcohol or less	Over 14 percent alcohol			
1	2	3	4	5	6	7
1982–83	$24,043	$957	$168	$2,742	$108,786	$136,696 [b]
1981–82	24,674	928	167	2,470	112,146	140,385
1980–81	24,707	899	167	2,293	114,999	143,065
1979–80	23,300	836	175	1,973	113,311	139,596
1978–79	22,367	815	190	1,853	113,329	138,554
1977–78	20,951	735	210	1,643	111,194	134,733
1976–77	19,945	690	212	1,394	105,468	127,708
1975–76	18,616	660	229	1,339	105,411	126,255
1974–75	18,057	605	231	1,219	101,447	121,559
1973–74	16,830	578	232	1,291	100,417	119,348
1972–73	15,782	559	264	1,326	96,755	114,686
1971–72	15,261	486	275	1,301	94,809	112,132
1970–71	13,847	444	262	1,273	90,780	106,606
1969–70	14,451	386	272	1,024	89,832	105,965
1968–69	12,743	316	286	785	85,546	99,676
1967–68	11,954	281	291	716	78,810 [c]	92,052
1966–67	12,508	247	306	632	59,607	73,300
1965–66	11,629	235	320	537	57,438	70,159
1964–65	11,764	218	323	489	54,152	66,946
1963–64	10,148	203	337	405	50,703	61,796
1962–63	9,981	187	333	332	47,989	58,822
1961–62	9,442	169	345	313	45,283	55,532
1960–61	9,093	159	352	274	42,148	52,026
1959–60	9,316 [d]	138	346	269	40,406	50,475
1958–59	4,392	115	353	206	37,329	42,395
1957–58	4,046	109	351	189	34,230	38,925
1956–57	3,847	105	331	181	34,784 [f]	39,248
1955–56	3,803	104	326	151 [e]	31,518	35,902
1954–55	3,656	94	317	117	16,710	20,894
1953–54	3,477	90	330	102	15,715	19,714
1952–53	3,621	80	317	96	15,657	19,771
1951–52	3,315	74	279	81	14,436	18,185
1950–51	3,363	73	273	97	16,018	19,824
1945–50	16,105	289	1,360	392	72,011	90,157
1940–45	11,516	351	1,217	268	62,806	76,158
1935–40	7,823	220 [g]	1,606 [h]	91	40,276	50,016
1932–35	2,397	—	479 [i]	—	—	2,876

[a] Collections are on an accrual basis and therefore differ from those in Table 2 which are on a cash basis.

[b] Additional detail for 1982–83 are as follows:

	Beer and wine	Distilled spirits
Collections based on audits	$33,793	$1,132,826
Transactions omitted from table:		
Refunds	56,277	47,064
Interest and penalties	9,185	222,881

[c] Effective August 16, 1967, the tax rate was increased from $1.50 to $2.00 per gallon. Receipts from the 50-cent floor tax are not included; these amounted to $3,009,778.

[d] Effective July 1, 1959, the tax rate was increased from 2 cents to 4 cents per gallon. Receipts from the 2-cent floor tax are not included; these amounted to $369,170.

[e] Effective July 1, 1955, the tax on champagne and sparkling wines was changed from 1.5 cents per half-pint or fraction thereof to 30 cents per gallon. This revision eliminated inequities in the tax and provided a uniform tax rate; it was not considered to be a tax rate increase.

[f] Effective July 1, 1955, the tax rate was increased from 80 cents to $1.50 per gallon. Receipts from the 70-cent floor tax imposed at the time of the rate increase are not included; these amounted to $3,150,882.

[g] The tax on natural dry wines was reduced from 2 cents to 1 cent per gallon effective July 1, 1937.

[h] Still wines over 14 percent alcohol include still wines of 14 percent alcohol or less through 1936–37 because their tax rates were the same and they were not reported separately.

[i] Includes all types of wines. The tax rate was two cents per gallon on all wine and the different types were not reported separately.

TABLE 28—APPARENT CONSUMPTION[a] OF BEER, WINES AND DISTILLED SPIRITS BY FISCAL YEAR, 1935–40 TO 1982–83

(In thousands of gallons)

Fiscal year	Beer[b]	Wine			Total wine consumption	Distilled spirits
		Still wines		Champagne and sparkling wines		
		14 percent alcohol or less	Over 14 percent alcohol			
1	2	3	4	5	6	7
1982–83	598,790	95,718	8,416	9,141	113,275	54,393
1981–82	610,873	92,815	8,374	8,232[r]	109,421[r]	56,073
1980–81	610,689	89,931	8,339	7,642	105,912	57,500
1979–80	581,381	83,621	8,745	6,617	98,983	56,656
1978–79	564,280	81,495	9,507	6,175	97,177	56,665
1977–78	528,724	75,538	10,489	5,475	91,502	53,597
1976–77	506,034	68,965	10,599	4,647	84,231	52,734
1975–76	471,996	65,988	11,458	4,463	81,909	52,705
1974–75	460,592	60,543	11,551	4,063	76,157	50,724
1973–74	431,001	57,761	11,591	4,304	73,656	50,208
1972–73	404,900	55,949	13,207	4,419	73,575	48,377
1971–72	395,645	48,555	13,768	4,337	66,660	47,405
1970–71	356,738	44,392	13,119	4,244	61,755	45,390
1969–70	373,129	38,568	13,584	3,412	55,564	44,916
1968–69	328,976	31,650	14,317	2,616	48,583	42,773
1967–68	308,936	28,103	14,543	2,386	45,032	40,629
1966–67	321,765	24,713	15,320	2,107	42,140	39,738
1965–66	296,711	23,509	15,990	1,791	41,290	38,292
1964–65	300,835	21,790	16,131	1,629	39,550	36,102
1963–64	261,145	20,312	16,848	1,350	38,510	33,802
1962–63	256,151	18,668	16,661	1,106	36,435	31,993
1961–62	242,761	16,851	17,239	1,044	35,134	30,189
1960–61	232,962	15,861	17,602	913	34,376	28,098
1959–60	238,120	13,761	17,299	898	31,958	26,937
1958–59	224,657	11,547	17,631	688	29,866	24,886
1957–58	207,021	10,901	17,555	630	29,086	22,820
1956–57	196,151	10,460	16,570	605	27,635	23,189
1955–56	192,973	10,447	16,324	502	27,273	21,012
1954–55	185,388	9,394	15,826	390	25,610	20,887
1953–54	177,629	8,987	16,507	396	25,890	19,644
1952–53	184,657	8,041	15,833	401	24,275	19,572
1951–52	168,847	7,431	13,969	336	21,736	18,045
1950–51	167,439	7,271	13,674	405	21,350	20,022
1945–50	801,657	29,022	67,996	1,625	98,643	90,014
1940–45	573,369	35,000	61,130	1,009	97,139	78,507
1935–40	387,414	37,121	65,264	683	103,068	50,345

[a] Figures in this table represent taxable distributions compiled from monthly tax returns. Because the tax liability attaches at the time alcoholic beverages are sold by manufacturers, importers, or wholesalers, rather than at the time a retail sale is made or when the consumption occurs, they are referred to as "apparent" consumption figures rather than as "actual" consumption figures.

[b] Includes a relatively small amount of tax-exempt beer distributed to the armed forces subsequent to June 30, 1951. Prior to July 1951, such distributions were taxable. Effective January 1, 1980, distributions of beer for the armed forces became subject to the state's excise tax when purchased from California suppliers.

[r] Revised.

TABLE 29—PER CAPITA CONSUMPTION [a] OF BEER, WINES, AND DISTILLED SPIRITS BY FISCAL YEAR, 1935–36 TO 1982–83

(Consumption in gallons)

Fiscal year	Population [b]	Per capita consumption		
		Beer [c]	Wines	Distilled spirits
1	2	3	4	5
1982–83	24,959,000	23.99	4.54	2.18
1981–82	24,469,500 [r]	24.96 [r]	4.47 [r]	2.29 [r]
1980–81	23,992,900	25.45	4.41	2.40
1979–80	23,534,000	24.70	4.21	2.41
1978–79	23,072,000	24.46	4.21	2.46
1977–78	22,610,000	23.38	4.05	2.46
1976–77	22,164,000	22.83	3.80	2.38
1975–76	21,756,000	21.70	3.76	2.42
1974–75	21,374,000	21.55	3.56	2.37
1973–74	21,036,000	20.49	3.50	2.39
1972–73	20,737,000	19.53	3.55	2.33
1971–72	20,470,000	19.33	3.26	2.32
1970–71	20,193,000	17.67	3.06	2.25
1969–70	19,922,000	18.73	2.79	2.25
1968–69	19,664,000	16.73	2.47	2.18
1967–68	19,372,000	15.95	2.32	2.10
1966–67	19,041,000	16.90	2.21	2.09
1965–66	18,670,000	16.00	2.21	2.05
1964–65	18,255,000	16.48	2.17	1.98
1963–64	17,768,000	14.70	2.17	1.90
1962–63	17,211,000	14.88	2.12	1.86
1961–62	16,636,000	14.59	2.11	1.81
1960–61	16,114,000	14.46	2.13	1.74
1955–56	13,292,000	14.52	2.05	1.58
1950–51	10,886,000	15.38	1.96	1.84
1945–46	9,452,000	16.86	2.13	2.37
1940–41	7,094,000	10.71	2.51	1.60
1935–36	6,258,000	11.63	3.39	1.46

[a] Based on taxable distributions compiled from monthly tax returns.
[b] Population used is for January 1 of each fiscal year.
[c] Includes tax-exempt beer sold to the armed forces; see Table 28 footnote b.
[r] Revised

TABLE 30A—CIGARETTE TAX REVENUE, 1959–60 TO 1982–83

(In thousands of dollars)

Fiscal year	Revenue [a]	Distributors' discounts [b]	Gross value of tax indicia [c]	Refunds	Amount set aside for cities and counties
1	2	3	4	5	6
1982–83	$271,138	$2,314	$273,452	$2,060	$81,486
1981–82	276,262	2,362	278,624	1,843	83,047
1980–81	274,885	2,349	277,234	1,567	82,465
1979–80	272,053	2,327	274,380	1,643	81,616
1978–79	268,816	2,303	271,805	1,369	80,645
1977–78	274,102	2,348	276,005	1,239	82,231
1976–77	269,385	2,309	272,015	832	80,815
1975–76	268,610	2,303	270,913	927	80,583
1974–75	261,975	2,246	264,346	745	78,593
1973–74	258,921	2,220	262,688	632	77,676
1972–73	253,602	2,174	255,774	626	76,081
1971–72	246,351	2,112	248,181	577	73,904
1970–71	239,195	2,051	241,870	552	71,764
1969–70	235,901	2,022	238,835	455	70,762
1968–69	237,159	2,032	239,376	492	71,140
1967–68	205,985 [d,e]	1,786	209,654	356	52,059 [d]
1966–67	75,597	1,543	77,130	136	—
1965–66	74,578	1,522	76,334	92	—
1964–65	74,477	1,520	75,948	56	—
1963–64	71,822	1,468	73,391	77	—
1962–63	70,194	1,437	71,836	79	—
1961–62	66,054	1,391	69,557	58	—
1960–61	66,024 [g]	1,675 [f]	67,372	76	—
1959–60	64,805 [h]	767 [i]	64,805	27	—

[a] Net of refunds for tax indicia on cigarettes that become unfit for use. (See column 5.)

[b] A discount of .85 percent of gross value of tax indicia is granted to distributors for affixing the stamps. From July 1, 1960 until August 1, 1967 the discount rate was 2%.

[c] Effective July 16, 1961, distributors have been able to purchase tax indicia on credit. On June 30, 1983, this amounted to $22,311,671 and on June 30, 1982, it amounted to $21,828,911.

[d] Effective August 1, 1967, the tax rate was increased from 3¢ to 7¢ per pack. On October 1, 1967 the rate was further increased to 10¢ per pack, with the stipulation that 30% of the tax be allocated to cities and counties.

[e] Includes $6,515,209 from the 4¢ per pack floor stocks tax levied on August 1, 1967; and $4,889,485 from the 3¢ per pack floor stocks tax imposed October 1, 1967.

[f] Effective July 1, 1960, a discount was allowed at the time tax indicia were purchased.

[g] Refunds made for distributors' discounts in the 1960–61 fiscal year on purchases made in the 1959–60 fiscal year have been deducted. These refunds amounted to $394,000.

[h] Includes $2,673,048 from the 3¢ per pack floor stocks tax imposed July 1, 1959; and also includes the amount of distributors' discounts which were refunded after purchase of indicia.

[i] During July and August of 1959 the tax was collected by invoice and no discount was allowed on these collections of $8,123,700, nor on the $2,673,048 tax on floor stocks.

TABLE 30B—CIGARETTE DISTRIBUTIONS AND PER CAPITA CONSUMPTION, 1959–60 TO 1982–83

Fiscal year	Distributions (millions of packages)			Per capita consumption (in packages) [a]
	Total	Tax paid	Tax exempt	
1	2	3	4	5
1982–83	2,863	2,735	128	114.7
1981–82	2,922	2,786	136	119.4 [r]
1980–81	2,913	2,772	141	121.4
1979–80	2,892	2,744	148	122.9
1978–79	2,875	2,718	157	124.6
1977–78	2,926	2,760	166	129.4
1976–77	2,892	2,720	172	130.5
1975–76	2,896	2,709	187	133.1
1974–75	2,836	2,643	193	132.7
1973–74	2,834	2,627	207	134.7
1972–73	2,755	2,546	209	132.9
1971–72	2,714	2,499	215	132.6
1970–71	2,630	2,419	211	130.2
1969–70	2,588	2,387	201	129.9
1968–69	2,600	2,393	207	132.2
1967–68	2,688	2,475	213	138.8
1966–67	2,735	2,571	164	143.6
1965–66	2,703	2,544	159	144.8
1964–65	2,677	2,532	145	146.6
1963–64	2,577	2,446	131	145.0
1962–63	2,534	2,398	136	147.2
1961–62	2,449	2,319	130	147.2
1960–61	2,370	2,246	124	147.1
1959–60	2,176	2,071	105	139.7

[a] Based on latest estimate of January 1 population for each fiscal year.

[r] Revised.

TABLE 31—1982 TAXABLE INSURANCE PREMIUMS AND TOTAL TAXES ASSESSED IN 1983, BY COMPANY

Name of company	Taxable premiums (in thousands)	Total tax assessed
1	2	3
FIRE AND CASUALTY INSURERS		
Aetna Casualty and Surety Company (The)	$223,386	$5,204,896
Allstate Insurance Company	754,442	17,578,503
All West Insurance Company	51,272	1,194,626
American Motorists Insurance Company	52,488	1,222,966
American National Fire Insurance Company	68,455	1,595,011
Argonaut Insurance Company	72,982	1,700,492
Associated Indemnity Corporation	176,155	4,104,414
Cal-Farm Insurance Company	78,301	1,824,417
California Casualty Indemnity Exchange (The)	64,494	1,502,706
California Casualty Insurance Company	44,253	1,031,100
California State Automobile Association Inter-Insurance Bureau	426,643	9,940,783
Canadian Indemnity Company (The)	44,520	1,478,812
Central National Insurance Company of Omaha (The)	48,550	1,131,220
Continental Casualty Company	45,552	1,061,362
Continental Insurance Company (The)	163,982	3,820,780
Doctors' Company, an Inter-insurance Exchange (The)	47,724	1,111,971
Employers Insurance of Wausau, A Mutual Company	89,077	2,075,495
Farmers Insurance Exchange	571,739	13,321,513
Federal Insurance Company	99,863	2,326,808
Fire Insurance Exchange	221,164	5,153,113
Fireman's Fund Insurance Company	238,629	5,560,047
Fremont Indemnity Company	187,739	4,374,325
Government Employees Insurance Company	56,610	1,319,018
Hartford Accident and Indemnity Company	148,322	3,455,905
Hartford Fire Insurance Company	49,141	1,144,982
Industrial Indemnity Company	251,863	5,868,414
Insurance Company of North America	207,198	4,827,717
Insurance Company of the West	50,581	1,178,528
Inter-Insurance Exchange of the Automobile Club of Southern California	593,913	13,838,177
Liberty Mutual Fire Insurance Company	140,009	3,262,213
Lumbermens Mutual Casualty Company	47,844	1,114,776
Mercury Casualty Company	63,130	1,470,938
Mid-Century Insurance Company	152,071	3,543,254
Mission Insurance Company	139,313	3,245,985
Mission National Insurance Company	44,164	1,029,024
National Surety Corporation	54,440	1,268,450
National Union Fire Insurance Company of Pittsburgh, Pennsylvania	184,849	4,306,990
Ohio Casualty Insurance Company (The)	38,419	1,003,461
Pacific Employers Insurance Company	94,240	2,195,783
Republic Indemnity Company of America	44,710	1,041,738
Royal Indemnity Company	63,377	1,476,680
Royal Insurance Company of America	83,635	2,030,786
SAFECO Insurance Company of America	163,077	3,799,698
St. Paul Fire and Marine Insurance Company	59,017	1,375,100
Southern California Physicians Insurance Exchange	51,256	1,194,255
State Compensation Insurance Fund	240,073	5,593,699
State Farm Fire and Casualty Company	434,644	10,270,089
State Farm Mutual Automobile Insurance Company	821,270	19,135,591
Transamerica Insurance Company	75,846	1,767,213
Transamerican Premier Insurance Company	43,024	1,002,458
Travelers Indemnity Company (The)	156,914	3,656,088
Truck Insurance Exchange	163,606	3,812,014
20th Century Insurance Company	118,782	2,767,623
Unigard Mutual Insurance Company	57,713	1,402,664
United Pacific Insurance Company	101,815	2,372,298
United Services Automobile Association	137,691	3,208,209
United States Fidelity and Guaranty Company	59,113	1,377,344
West American Insurance Company	114,469	2,667,129
Western Employers Insurance Company	49,682	1,157,580
Zenith Insurance Company	71,663	1,669,746
49[1] Other fire and casualty insurers [a]	3,681,197	87,435,418
Totals for fire and casualty insurers	$12,880,091	$302,602,395

[a] Each having a total tax of less than $1,000,000.

TABLE 31—1982 TAXABLE INSURANCE PREMIUMS AND TOTAL TAXES ASSESSED IN 1983, BY COMPANY—Concluded

Name of company	Taxable premiums (in thousands)	Total tax assessed
1	2	3
LIFE INSURERS		
Aetna Life Insurance Company	$431,067	$9,961,112
Allstate Life Insurance Company	75,868	1,726,731
American Guaranty Life Insurance Company	31,641	737,230
American National Insurance Company	60,054	1,433,189
Bankers Life Company	84,786	1,841,688
Cal-Farm Life Insurance Company	56,591	1,210,503
California-Western States Life Insurance Company	146,849	3,384,850
Capitol Life Insurance Company (The)	27,359	661,102
Certified Life Insurance Company	37,652	872,694
Confederation Life Insurance Company	31,616	727,839
Connecticut General Life Insurance Company	247,518	5,243,636
Connecticut Mutual Life Insurance Company (The)	48,086	975,177
Continental Assurance Company	47,602	1,064,408
Crown Life Insurance Company	92,146	2,139,017
Equitable Life Assurance Society of the United States (The)	302,012	6,137,154
Executive Life Insurance Company	46,064	900,509
Farmers New World Life Insurance Company	46,393	1,056,187
Fireman's Fund American Life Insurance Company	41,359	963,019
First Farwest Life Insurance Company	31,170	726,250
General American Life Insurance Company	48,133	1,068,371
Great Republic Life Insurance Company	34,060	793,607
Great-West Life Assurance Company (The)	89,312	1,896,323
Guardian Life Insurance Company of America (The)	37,003	831,669
John Hancock Mutual Life Insurance Company	151,860	3,039,367
Keystone Provident Life Insurance Company	63,864	1,'88,032
Life Insurance Company of North America	87,045	2,023,988
Lincoln National Life Insurance Company (The)	125,231	2,887,535
Manufacturers Life Insurance Company (The)	58,852	1,113,924
Massachusetts Indemnity and Life Insurance Company	34,786	810,120
Massachusetts Mutual Life Insurance Company	108,356	2,535,500
Metropolitan Life Insurance Company	475,631	10,348,078
Mutual Benefit Life Insurance Company (The)	92,621	2,035,691
Mutual Life Insurance Company of New York (The)	75,452	1,731,545
Mutual of Omaha Insurance Company	65,035	1,515,322
NN Investors Life Insurance Company, Inc.	32,125	748,388
National Home Life Assurance Company	29,754	693,027
National Life and Accident Insurance Company (The)	36,015	829,925
New England Mutual Life Insurance Company	65,960	1,365,627
New York Life Insurance Company	309,842	6,664,687
Northwestern Mutual Life Insurance Company (The)	78,474	1,740,428
Pacific Mutual Life Insurance Company	201,540	4,288,511
Penn Mutual Life Insurance Company (The)	44,811	1,020,165
Phoenix Mutual Life Insurance Company	34,375	768,716
Pilot Life Insurance Company	27,028	676,141
Provident Life and Accident Insurance Company	80,358	1,845,766
Provident Mutual Life Insurance Company of Philadelphia	29,779	663,857
Prudential Insurance Company of America (The)	841,046	14,618,402
Republic National Life Group Insurance Company	53,821	1,254,523
Standard Insurance Company	63,919	1,463,575
State Farm Life Insurance Company	62,553	1,179,501
State Mutual Life Assurance Company of America	30,279	670,340
Transamerica Occidental Life Insurance Company	417,933	9,333,223
Travelers Insurance Company (The)	269,998	5,969,498
USLIFE Life Insurance Company of California	31,094	685,228
Union Labor Life Insurance Company (The)	106,992	2,489,156
Union Mutual Stock Life Insurance Company of America	39,991	928,024
United Insurance Company of America	38,400	894,728
United of Omaha Insurance Company	69,124	1,541,458
Washington National Insurance Company	49,431	1,126,360
466 other life insurers [b]	1,928,956	43,577,492
Totals for life insurers	$8,406,572	$182,918,143 [c]
Totals for fire and casualty insurers	12,880,091	302,602,395 [c]
Totals for title insurers	261,941	6,128,563 [c]
Totals for all insurers	$21,548,604	$491,649,103

[b] Each having a total tax of less than $650,000.

[c] Retaliatory taxes of $2,496,047 for fire and casualty insurers, $1,108,308 for life insurers and $35,348 for title insurers have been included in the assessments by company.

TABLE 32—SUMMARY OF INSURANCE TAXES ASSESSED IN 1982 AND 1983 AGAINST COMPANIES AUTHORIZED TO DO BUSINESS IN CALIFORNIA, BY TYPE OF INSURER [a]

Type of insurer	Assessments on 1981 business		Assessments on 1982 business		Percent change in assessments
	Number	Amount	Number	Amount	
1	2	3	4	5	6
Fire and casualty	702	$296,485,490	731	$302,602,395	2.1%
Life	613	169,524,903	646	182,918,145	7.9
Title	23	6,513,155	23	6,128,563	−5.9
Subtotals	1,338 [b]	472,523,548	1,400 [c]	491,649,103 [c]	4.0
Ocean marine	46	225,083	48	183,981	−18.3
Totals	1,384	$472,748,631	1,448	$491,833,084	4.0%
Adjustments:					
Deficiency assessments	123 [d]	2,017,023	119 [e]	1,174,427 [e]	—
Refunds and cancellations	178	1,835,339	227 [f]	32,604,228 [f]	—
Net adjustments	301	181,684	346	−31,429,801	—
Grand totals	1,685	$472,930,315	1,794	$460,403,283	−2.6%

[a] Includes self-assessments and board-assessments against companies licensed to write insurance on California risks.

[b] Includes 119 returns that reported no premiums tax liability and 159 retaliatory tax assessments totaling $3,204,583.

[c] Includes 137 returns that reported no premiums tax liability and 167 retaliatory tax assessments totaling $3,623,903.

[d] Includes 53 assessments made by the State Controller in the amount of $140,454.

[e] Includes 61 assessments made by the State Controller in the amount of $342,055 and 16 assessments for amended 1981 retaliatory returns in the amount of $66,122.

[f] Includes 171 refunds granted by court decision in the amount of $31,299,011 for the principal office deduction for the year 1976.

TABLE 33—INSURANCE TAX ASSESSMENTS AGAINST LICENSED INSURERS, TAX RATE, TAXES ON PREMIUMS, LOCAL PROPERTY TAX CREDITS ALLOWED, TAXES ON OCEAN MARINE BUSINESS, AND TOTAL TAXES ASSESSED, 1911–15 TO 1983 [a]

Year of assessment	Number of assessments [b]	Gross premiums tax rate (percent)	Taxes Assessed on premiums [c]	Local property tax credits allowed	Taxes assessed on underwriting profits: ocean marine [d]	Total taxes assessed
1	2	3	4	5	6	7
1983	1,144 [e]	2.33	$460,219,302	—	$183,981	$460,403,283
1982	1,106	2.35	472,705,232	—	225,083	472,930,315
1981	1,064	2.35	448,622,737	—	145,962	448,768,699
1980	1,063	2.35	429,479,576	—	100,375	429,579,951
1979	1,038	2.35	396,871,905	—	144,456	397,016,361
1978	1,008	2.35	363,665,780	—	74,843	363,740,623
1977	984	2.35	299,712,880	— [k]	37,018	299,749,898
1976	967	2.35	248,537,130	$17,840,567	23,124	230,719,687
1975	992	2.35	211,975,924	16,731,201	79,999	195,324,722
1974	1,010	2.35	209,787,954	16,160,417	165,802	193,793,339
1973	989	2.35	195,049,519	16,406,592	141,337	178,784,264
1972	977	2.35	174,529,967	13,918,775	88,938	160,700,130
1971	915	2.35	160,307,804	11,673,670	45,488	148,679,622
1970	894	2.35	141,892,452	9,785,420	25,209	132,132,241
1969	830	2.35	130,895,320	7,610,137	13,518	123,298,701
1968	787	2.33	119,132,434	6,314,488	9,791	112,827,737
1967	782	2.33	111,445,400	6,377,277	4,213	105,072,336
1966	791	2.33	105,050,306	6,239,578	10,763	98,821,493
1965	833	2.33	97,782,471	5,601,383	24,785	92,205,873
1964	826	2.35	90,473,809 [f]	4,979,745	38,516	85,532,580 [f]
1963	815	2.35	82,521,529	4,766,754	44,475	77,799,250
1962	809	2.35	75,504,917	4,291,305	42,206	71,255,818
1961	767	2.35	71,235,283	3,854,507	39,688	67,420,464
1960	736	2.35	65,169,948	3,341,844	20,307	61,848,411
1959	711	2.35	58,377,347	3,153,605	13,601	55,237,343
1958	716	2.35	53,461,244	2,714,160	19,843	50,766,927
1957	728 [g]	2.35	48,365,723	2,278,623	54,234	46,141,334
1956	828	2.35	44,476,726	2,026,931	83,296	42,533,091
1955	809	2.35	40,810,154	1,781,071	75,118	39,104,201
1954	803	2.35	40,040,521	1,601,342	61,743	38,500,922
1953	796	2.35	35,634,480	1,393,689	83,909	34,324,700
1952	782	2.35	30,384,576 [h]	1,331,108	123,333	29,176,801 [h]
1951	781	2.35	26,404,608	1,266,639	144,753	25,282,722
1946–1950	3,790	[i]	101,734,147	4,178,399	454,383	98,010,131
1941–1945	3,400	[i]	58,111,232	5,777,662	139,007	52,472,577
1936–1940	3,405	2.60	44,427,176	8,395,968	59,270	36,090,478
1931–1935	3,128	2.60	34,850,689	3,342,794	87,173	31,595,068
1926–1930	2,834	2.60	33,143,423	3,031,155	—	30,112,268
1921–1925	1,209	2.60	20,170,810	1,460,622	—	18,710,188
1916–1920	1,664	2.00	7,257,013	272,834	—	6,984,179
1911–1915	1,490	[j]	3,893,525	169,848	—	3,723,677

[a] Excludes assessments against life insurance companies not licensed by the State to write insurance on California risks.

[b] Includes only annual premiums tax assessments showing tax liability and ocean marine assessments.

[c] Includes retaliatory assessments (except for the period from 1945, when the retaliatory tax law was repealed, through 1959 when the law was reestablished), penalties for late filing or nonfiling of returns, and adjustments of prior year taxes.

[d] Includes penalties for late filing or nonfiling of returns. By constitutional amendment adopted in 1930, ocean marine insurance was removed from the scope of the gross premiums tax and subjected to a 5 percent tax on underwriting profits.

[e] Defined in footnote b. In addition there were 167 retaliatory tax assessments and 256 returns that showed no tax liability, of which 137 were for life, casualty, and title insurers, and 119 for ocean marine insurers.

[f] Excludes $22,859,004, which represents the prepayments the companies assessed themselves, computed at the rate of 2.33 percent on the premiums written in the first quarter of 1964.

[g] Beginning in 1957, life insurance companies writing disability insurance were assessed only once. In all prior years such companies were assessed twice; one assessment covered their life insurance and annuity policies, and one covered their disability insurance business. In 1956 there were 93 such companies.

[h] Beginning in 1952, the State Compensation Insurance Fund became subject to assessment by the Board.

[i] The tax rate declined by .05 percent per year from 2.60 percent in 1943 to 2.35 percent in 1948. The decrease was intended to compensate for a gradual restriction of the real estate tax offset privilege. In the 1944 assessment, the maximum offset for taxes on real estate other than the principal office in the state was 75 percent of the company's 1940 offset on such property. The next year it was 55 percent, the next, 35 percent; then 15 percent. From 1948 on, only taxes on principal offices have been eligible for offset.

[j] The gross premiums tax rate was 1.50 percent during 1911 and 1912, 1.75 percent in the following two years, and 2.00 percent in 1915.

[k] This tax credit on the home or principal office in California was eliminated by proposition 6 which was approved by the voters on June 8, 1976; see Chapter 938, Statutes of 1975.

TABLE 34—FEDERAL, STATE, AND LOCAL TAX COLLECTIONS, 1950–51 TO 1982–83

(In thousands of dollars)

Fiscal year	Federal taxes [a]	State taxes other than disability insurance [b]	Local taxes and ad valorem assessments [c]	Total
1	2	3	4	5
1982–83	n.a.	23,762,901	11,671,200 [d]	n.a.
1981–82	71,541,870	23,081,477	10,527,278 [r]	105,150,625 [r]
1980–81	67,149,915	21,290,825	9,369,680	97,810,420
1979–80	58,873,061	20,558,664	8,525,000	87,956,725
1978–79	49,558,113	17,781,295	7,515,000	74,854,408
1977–78	42,772,775	16,266,712	12,791,000	71,830,487
1976–77	37,997,043 [e]	13,873,801	11,442,000	63,312,844
1975–76	28,091,997	11,661,724	10,093,000	49,846,721
1974–75	28,510,065	10,350,879	9,087,000	47,947,944
1973–74	24,959,348	8,503,309	8,141,345	41,604,002
1972–73	21,386,204	7,859,022	8,150,000	37,395,226
1971–72	18,962,545	7,066,506	7,325,000	33,374,051
1970–71	17,629,909	5,979,962	6,545,000	30,154,871
1969–70	18,596,235	5,851,911	5,789,464	30,237,610
1968–69	16,777,444	5,599,729	5,369,543	27,746,716
1967–68	15,455,808	5,090,195	4,787,145	25,333,148
1966–67	13,096,149	3,978,106	4,336,397	21,412,652
1965–66	11,085,100	3,889,945	3,896,042	18,871,087
1964–65	10,443,242	3,562,863	3,537,505	17,543,612
1963–64	10,534,708	3,369,236	3,247,449	17,151,393
1962–63	9,806,770	2,987,506	3,011,527	15,805,803
1961–62	9,091,751	2,673,724	2,769,131	14,534,606
1960–61	8,486,217	2,499,916	2,521,870	13,498,003
1959–60	7,997,711	2,364,532	2,306,318	12,668,561
1958–59	6,923,618	1,947,824	2,073,642	10,945,084
1957–58	6,753,950	1,786,026	1,856,780	10,396,756
1956–57	6,643,780	1,757,400	1,606,115	10,007,295
1955–56	6,008,419	1,654,153	1,400,489	9,063,061
1954–55	5,184,128	1,433,546	1,241,175	7,858,849
1953–54	5,336,963	1,339,870	1,121,205	7,818,038
1952–53	5,287,729	1,263,722	1,030,091	7,581,542
1951–52	4,645,285	1,214,772	933,783	6,793,840
1950–51	3,558,227	1,116,063	869,460	5,543,750

[a] Includes the railroad employment compensation tax but excludes custom duties which are not classified as internal revenue.

[b] Unemployment insurance tax collections totaling $1,458,960,168 are included in the figure for 1982–83 but the State's unemployment compensation disability tax, on the other hand, which yielded $617,324,395 in the fiscal year, is excluded because it lacks one of the characteristics that most definitions require of a tax: it is not a "compulsory payment" since an approved private plan may be substituted for the state insurance financed by means of this levy.

[c] Includes (1) property taxes; (2) state-administered local sales and use taxes, whether distributed or withheld by the state as a service charge; (3) franchises; (4) business license taxes; (5) animal licenses; (6) bicycle licenses; and (7) ad valorem special assessments collected by county officials—levies which are extended against the assessed values of land and improvements (but not personal property) to finance activities which are supposed to confer benefits on each property owner of a value approximately equal to his share of the levy.

[d] Estimated.

[e] Beginning with 1976–77 the federal fiscal year runs from October 1, through September 30.

[r] Revised.

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Bakersfield		525 18th St., 93301	805	395-2880
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Crescent City	8-12 & 1-5 M thru F	343 G Street, 95531	707	464-2321
Downey		11229 Woodruff Ave., 90241	213	773-3480
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Fresno		2550 Mariposa St., Room 2080, 93721	209	445-5285
Hayward	8-12 & 1-5 M thru F	795 Fletcher Lane, 94544	415	881-3544
Hollywood		5110 Sunset Blvd., 90027	213	663-8181
Inglewood		630 N. LaBrea Ave., 90302	213	678-8964
Long Beach		4140 Long Beach Blvd., 2nd Floor, 90807	213	636-2466
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Quincy	9-1 M thru F	546 Lawrence St., 95971	916	283-1070
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Sacramento		1891 Alhambra Blvd., 95816	916	739-4911
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San Mateo		520 So. El Camino Real, Suite 740, 94402	415	573-3578
San Rafael	8-12 & 1-5 M thru F	7 Mt. Lassen Drive, Suite B-136, 94903	415	472-1513
Santa Ana		28 Civic Center Plaza, Room 239, 92701	714	558-4051
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Santa Cruz	8-12 & 1-5 M thru F	303 Water St., Suite 6, 95060	408	423-6683
Santa Maria		325 East Plaza Dr., Bldg 3, Suite 4, 93454	805	925-7417
Santa Rosa		50 D Street, 95401	707	576-2100
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